

JPRS-EER-87-011

26 JANUARY 1987

# East Europe Report



FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

26 JANUARY 1987

## EAST EUROPE REPORT

### CONTENTS

#### AGRICULTURE

##### HUNGARY

- Shortcomings, Problems in Agriculture Discussed  
(Bela Csendes Interview; FIGYELO, No 49, 4 Dec 86) ..... 1

##### POLAND

- Development of Fallow Land Viewed  
(SZTANDAR MLODYCH, 17 Nov 86) ..... 6

#### ECONOMY

##### INTERNATIONAL AFFAIRS

- FRG Study on Soviet, GDR, CEMA Energy Policy, Prospects  
(Jochen Bethkenhagen; DAS PARLAMENT, 9 Aug 86) ..... 7

##### CZECHOSLOVAKIA

- Low-Quality Goods, Increasing Inventories Criticized  
(RUDE PRAVO, 6 Sep 86) ..... 29

- Value of Issuance of New Directives To Improve Economy Questioned  
(Frantisek Zika; HOSPODARSKE NOVINY, No 39, 1986) ..... 31

##### Briefs

- Cooperation Agreement Signed With Iraq 36  
Dukovany Nuclear Power Plant 36  
VVER-1000 Reactor for Temelin 36  
Winter Fuel Reserves 36

Magnesite Deposits	37
Sugar Beet Harvest	37
Sugar Storage Space	37
PRK Trade Protocol	37

#### GERMAN DEMOCRATIC REPUBLIC

Nuclear Plant Construction Proceeds 'Rapidly'	
(IWE TAGESDIENST, No 195, 16 Dec 86) .....	38
Private Enterprise Rate of Decline Slows	
(IWE TAGESDIENST, No 183, 25 Nov 86) .....	39
Renovation, New Construction Expands Classroom Facilities	
(PRESSE-INFORMATIONEN, No 112, 25 Sep 86) .....	40
Briefs	
Automated Excavator in Trial Run	43
Thermal Plexiglass Made Reusable	43
Software for Textile Industry	43

#### POLAND

Official Views Agricultural Trade With USSR	
(Kazimierz Grzesiak; TRYBUNA LUDU, 25 Nov 86) .....	45
Baka Addresses Sejm on Financial, Credit Policy	
(Wladyslaw Baka; TRYBUNA LUDU, 25 Nov 86) .....	48
Foreign Trade Deputy Minister on Banking Changes	
(Janusz Kaczurba; TRYBUNA LUDU, 11 Dec 86) .....	50
Planning School Analysis Questions Five-Year Plan Prospects	
(Marek Garbicz, Tomasz Kuszewski; ZARZADZANIE, No 9, Sep 86) .....	52
Daily Views Need for Cuts in Subsidies	
(Andrzej Leszczynski; TRYBUNA LUDU, 10 Dec 86) .....	60
Export Development Bank Established	
(TRYBUNA LUDU, 12 Dec 86) .....	62
Briefs	
Messner Addresses Chemical Plant Workers	63
Increases in Pensions	63

#### YUGOSLAVIA

Official on Talks With EC About Balancing Trade	
(TANJUG, 8 Dec 86) .....	64
Report on Bucin Speech at SAWPY Conference	
(TANJUG Domestic Service, 18 Dec 86) .....	65



Economic Growth Discussed in Bosnia-Hercegovina (TANJUG Domestic Service, 12 Dec 86) .....	68
---	----

Work Stoppages in Publishing Industry Analyzed (TANJUG Domestic Service, 18 Dec 86) .....	70
--	----

## MILITARY

### GERMAN DEMOCRATIC REPUBLIC

Briefs	
New GST Vice Chairman	71
Deaths in Soviet Military Vehicle Accident	71

## POLITICS

### ALBANIA

Shortcomings in Comic Stage Plays Discussed (Enver Muhametaj; DRITA, 17 Aug 86) .....	72
Production of Poor Quality Historical Film Deplored (Fisnik Sina; DRITA, 7 Sep 86) .....	77

### CZECHOSLOVAKIA

Jakes Meets With Zimbabwe's Mugabe 13 December (CTK, 13 Dec 86) .....	79
Jakes Delegation Meets PDRY Party Leader (CTK, 15 Dec 86) .....	80
Obzina Signs Environmental Agreement in Berlin (CTK, 16 Dec 86) .....	82
Havlin on Youth, International Students' Union Activities (Josef Havlin; RUDE PRAVO, 18 Nov 86) .....	83
Peace Activist Discusses Recent Talks, Greens' 'Demands' (CTK, 9 Dec 86) .....	86

### POLAND

Belgrade Radio Interviews Messner (Zbigniew Messner Interview; Belgrade Domestic Service, 7 Dec 86) .....	87
Defense Minister, Delegation Hold Talks in Belgrade (Zbigniew Falecki; PAP, 9 Dec 86) .....	93

Komender Addresses PAX National Conference (Zenon Komender; SLOWO POWSZECHNE, 24 Nov 86) .....	94
Sejm Adopts New Social Security Law (PAP, 25 Nov 86) .....	96
Strong Defense for Constitutional Tribunal Offered (PRAWO I ZYCIE, No 29, 19 Jul 86) .....	97
Sociologist Recalls Past, Views Youth Situation (Wladyslaw Markiewicz Interview; RADAR, No 24, 12 Jun 86).	102
Catholic Priest Views Dialogue With Marxism (Jozef Tischner; TYGODNIK POWSZECHNY, No 35, 16 Nov 86) ..	108
Lebanon's Grand Mufti Concludes Visit, Talks (PAP, 13 Dec 86) .....	112
Rakowski, SPD's Vogel Speak at Auschwitz Rite (PAP, 7 Dec 86) .....	113
PZPR Politburo Discusses Film Industry (PAP, 12 Dec 86) .....	115
Briefs	
Envoy to Spain Received	117
Hirohito Receives Outgoing Envoy	117
Outgoing Irish Ambassador Received	117
Canadian Envoy Presents Credentials	117
Spanish Ambassador Presents Credentials	117
December 1970 Events Marked	117
French Communists Meet Bednarski	117
Condolence Message to Bulgaria	118
Condolence Cable to GDR	118
Messner at Katowice PZPR Meeting	118
SD, GDR Counterparts Meet	118
Italian Ambassador Presents Credentials	118

## SOCIOLOGY

### GERMAN DEMOCRATIC REPUBLIC

Continued Rise in Illegitimate Births (IWE TAGESDIENST, No 180, 20 Nov 86) .....	119
Briefs	
Economist, Engineer Shortage Addressed	120

/7310

## SHORTCOMINGS, PROBLEMS IN AGRICULTURE DISCUSSED

Budapest FIGYELO in Hungarian No 49, 4 Dec 86 p 8

[Interview with Dr Bela Csendes, director in chief of the Agricultural Economics Research Institute, by Peter Bonyhadi: "The End of an Epoch?"]

[Text] The drought this year caused losses of 10-11 billion forints. The rate of development of agriculture decreased in the past 2 years and the branch is less and less capable of assuming a role in producing a foreign trade balance. The number of deficit large agricultural operations and those with fund shortages increases year after year. This is a depressing characterization of a branch which was considered an important driving force in the economy not so long ago. Has an epoch come to an end? For an answer we turned to Dr Bela Csendes, director in chief of the Agricultural Economics Research Institute.

[Answer] If we look only at the problems of the past 2 years then the question is apparently just. But looking at a longer period of time it is not so at all! I want to emphasize this because there are circles which feel, because of the unfavorable things that have happened to agriculture, that here is an occasion to question the place and role of agriculture thus far.

Let us look at the facts! During the Sixth 5-Year Plan the planned 12 percent increase in production was realized in agriculture. Its contribution to the national income increased. In its budgetary connections the payments in by the branch have exceeded the magnitude of supports since 1984. Before anyone starts to bury this branch they should take a look at these facts.

What Happens If...

[Question] Still this cannot mean that all is well in agriculture. It cannot hide the problems of the branch. Nor can we say simply, Onward on the same path.

[Answer] If agriculture is to play its strategic role it must increase its ability to produce income, improve the economicalness of its export and improve its ability to accomodate. Only longer range foresight and production security, however, can lay the foundations for this. The opinions which from time to time questioned the role of the branch in the development of the economy have shaken the confidence of the producers. And this means that the

farms have let slip even those possibilities which otherwise they could have exploited.

Economic guidance must give the branch long-range stability; the goals set forth must be formulated less ambiguously; the unique aspects of the agricultural branches must be taken into consideration better.

[Question] What are you thinking of concretely?

[Answer] For example, the relatively low profitability of agricultural production provides no way to pay high interest rates. This is why, in most Western European countries, the interest on investment credits for agriculture is substantially lower than in other spheres of the economy. Or let us take the weather factor. Here the economic regulators are adjusted to the planned production yearly--in harmony with the general income withdrawal policy. But what happens if the crop is a good bit smaller than planned? The harmful financial consequences of this weigh doubly on the agricultural producers. At such times economic policy must take supplementary measures to keep the branch from becoming impotent. Management would be more secure if there were greater foresight in this area.

[Question] Could agriculture create conditions which might force more encouraging economic regulation? Like the Nadudvar method, which has become a classic, where there was an example of this in the case of cultivation on shares?

[Answer] I do not believe that the producers are expecting everything from the government. Under the new conditions the agricultural enterprises also must be renewed, must work in a new way. It is not possible here to expound what should be done in connection with this. The development of enterprise and personal incomes and improving economicalness depend crucially on the farms. But in this connection it is not enough to describe the farms' tasks.

It is an experience of several decades that those branches develop quickly, that efficiency increases, where profitability is high. Where there is little income efficiency suffers too. It must be recognized that there is also a need for measures to improve profitability if there is to be technical development and the development of organizational methods which provide incentive.

Today's producer cooperatives are complex enterprises, combinations of agricultural operations, industrial, service and commercial units, supplemented by integrated small farms. But in the course of enterprise development the ownership position of the members weakened; today few of them participate in the common work as owners. The self-government bodies often function in a formal way. The employee position and behavior have come to the fore, which had a significant role in increasing production at least as long as the real value of earnings could be increased. But all this is accompanied by a decrease in interest in thrifty use of assets, by a spread of methods of wage regulation alien to cooperatives and by low efficiency employment.

### Loosening Ties

Efficient management requires that the workers be personally interested in efficient use of producing assets. The example of a few pioneering enterprises proves all this. These enterprises organize and operate independently managing enterprise units. These are not the usual self-accounting units but rather really independent internal undertakings.

Forces encouraging the rationalization of management and thrifty management of expenditures can develop in these enterprising plant units. Thanks to the operation of these undertakings the agricultural enterprises can be renewed in their organization and operation, the emphasis in their management can be placed partially on the internal undertakings.

The self-accounting undertakings can create an interest in the current profits. But a resolution of the contradiction between the short and long-range enterprise interest can be imagined only through an institutionalization of efficient management of the assets tied up, defense of enterprise property, institutional incentive for an efficient increase in property.

Property interest can be created in small cooperatives operating on the basis of distributable property, in internal undertakings in the producer cooperative, in the form of shares, special shares, member credits and special credits connected to them.

The solution is more complicated in the case of large, hierarchically organized cooperatives active in many branches. Here the interest link to the accumulation of undistributable property can develop in a multiple step way in the form of accumulation dividends or shares. All these methods, however, are still to be worked out.

How to judge the special cooperative model requires rethinking too. Economic policy has repeatedly expressed its interest in maintaining these forms. Despite this the number of special cooperatives has decreased and as a result of outside forces the survivors increasingly regard this form as transitional.

We need to think through whether the special cooperative does not offer an alternative for collective management on a broader scale than now or for an efficient combination of large and small operations.

### What Should Be Followed

[Question] The development of Hungarian agriculture today is export oriented. But foodstuff surpluses are piling up on the solvent markets. The United States and the Common Market are waging a real economic war for the agricultural and foodstuffs markets. What can we do in this oversupply situation?

[Answer] However low the world market prices and whatever supply characterizes the international agricultural markets, agricultural export is still a vital question for our country. It gives cause for anxiety that the planned quantity of grain was not produced this year, so we can export less. It is true that at today's prices we cannot make the profit we did earlier. It is also true that a constant saturation has characterized the world market for grain for the



last 10 years. But I am not aware that one kilo of the grain intended for export remained on our hands. It should be noted that our export makes no difference in world trade; it comes to only 1-2 percent of the trade.

[Question] Could this mean that Hungarian agriculture has strength simply because of its small size?

[Answer] As for the small size, this has both advantages and disadvantages. It is thought provoking that even under the sharper world market conditions the Western European countries have significantly increased their agricultural export. Capitalist countries larger and industrially more developed than Hungary vigorously support their agricultural export. And these countries, because of their high industrial and technical level, could and do export other things than foodstuffs. Since the question referred to size, let me mention Holland as an example; it also is constantly increasing its agricultural export. This may be because it produces outstanding quality but it could also be because it exports smaller quantities—at least on the world market scale. But the essence is that it constantly finds on the world market those gaps where it can break in with its shipments.

The Hungarian foodstuffs economy must follow this method also. The interest of our foreign partners provides an opportunity for such a developmental trend also. Whenever we talk about bringing in working capital it turns out that foreign capital would gladly participate in undertakings and investments in Hungary which might be paid for with Hungarian foodstuffs deliveries.

Speaking frankly, unfortunately, Hungarian foodstuffs still find an easier market in the economically developed countries than some of our mediocre industrial products.

The Courage is Lost

[Question] If this is so why is not the foodstuffs economy developed more quickly than it has been?

[Answer] There are a number of reasons for this. One is the restricted investment situation. So the competition for investment goods is obviously sharpening. Some question the role of agriculture as a weapon in this competition.

Naturally the state support offered for a large part of the agricultural investments also has financial limitations. This support must be judged together with the price system. For the most part strict official regulation prescribes the price for agricultural and foodstuffs industry products. The standard of living is a political question, protecting the consumers prices for foodstuffs. And the consumer's price level determined centrally can be maintained only with budgetary support offered to foodstuffs production. So the foodstuffs economy is more dependent on budgetary support than the other branches are.

The period of the dynamic development of Hungarian agriculture started in the middle of the 1960's and lasted until the middle of the 1970's. Then, as the result of investments of a magnitude never seen before, there was a swift

technical development in agriculture. This developmental wave reached its peak in the foodstuffs industry during the Fifth 5-Year Plan. On the basis of all this it could be justly expected that the economic impetus of these developments would last until the beginning of the 1980's.

In the forced situation, when the investment possibilities of the economy became restricted, it could be presumed on the basis of the above that one could cut back on developments in agriculture with relatively the least loss. But the dry years deprived agriculture of the possibilities of natural growth. The situation was made more difficult by the fact that the increase in the size of central withdrawals fell in this period too. As a consequence of all these things developmental sources waned to an extraordinary degree in the majority of the farms. A large number of the farms--all of them up to those with mediocre natural production conditions--ate up their reserves.

The time has come for a rethinking of development policy. It is reassuring that the Seventh 5-Year Plan was conceived in this spirit. We can regard it as a favorable sign that with the aid of World Bank programs development has begun in grain production, animal raising and the processing of animal products. The changes in the regulator system going into effect in 1987 will increase production spirit also. Let me mention as an example the measures--announced in June--to improve the profitability of animal raising. Hopefully agriculture will again regain its balance and its favorable economic influence will again be felt.

[Question] Do you only hope this or can you prove it?

[Answer] One cannot prophesy. But our largest competitor--if indeed it can be so considered because of the different sizes--the European Economic Community turned three quarters of its budget in 1986, 21 billion ecu according to the prescription, to the support of agricultural production--and export. More and more people are criticizing this extraordinarily high level, they are seeking new ways to support agricultural incomes. We cannot attach confident hopes to this, but a number of signs indicate that the time for changes has come.

#### The Price of Support

A moderation of protectionism and a reduction in supports offered for commodity production may be accompanied by an increase in world market prices, which would add value to the significance and economicalness of Hungarian foodstuffs export. Until then I trust that Hungary and CEMA, in their relations with the European Economic Community, will succeed in paring down the discriminative measures.

Of course, even if such a change takes place a longer time could pass until the gigantic foodstuffs reserves of the European Economic Community shrink, so the reduction in supports may not make its effect felt immediately. But certainly a world economic situation more normal than the one today would develop and the world market for foodstuffs might stabilize.

Until then it does no harm to point out that the import need of Hungarian agriculture is relatively low. With foodstuffs we can export a larger proportion of domestic work than with many other products. So I consider it important to emphasize that if the production interest in agriculture decreases then we will not be able to sell this domestic work abroad either.

## DEVELOPMENT OF FALLOW LAND VIEWED

AU010852 Warsaw SZTANDAR MŁODYCH in Polish 17 Nov 86 p 3

[Commentary signed "(cud)": "Fallow Land

[Excerpts] "Large areas of undeveloped farmland are a disturbing feature of Gorzow Voivodship. Although most of this land is of low quality, we should seek to develop it...." This is one of the basic conclusions reached by the controllers of the Gorzow Worker-Peasant Inspectorate, who recently inspected 14 gmina and urban-rural administrations in Gorzow Voivodship.

In 10 of these administrations they located 444 hectares of undeveloped farmland and over 100 fallow hectares in Zwierzyn, Miedzichowo, and Krzeszyce Gminas. These findings were no special feats because the controllers found them recorded in the files of the administrations in question. It is enough to inspect the economic plans of the voivodship to find out that at the end of 1985 as many as 6,000 hectares of farmland lay fallow for reasons such as their location along rivers, which could "flood" them, their dispersal, and their supposed unprofitability.

It is a fact that aside from the fallow lands that are fallow because they may be flooded unless difficult protective operations are carried out, there are large tracts of such lands because their soil is very sandy (class six) and because no one wants to cultivate them as unprofitable. Wherever farmers find it profitable to toil they take over fallow land for cultivation as attested to by the fact that primarily private farmers have taken over some 23,000 hectares of the State Land Fund.

Fallow lands, which could be productive if cultivated, continue to be discussed at the current accountability and election campaign of the PZPR. They also continue to be discussed at the gmina and rural meetings of the primary party organizations in Gorzow Voivodship. Peasants have their own views on this issue and assert that profitability is an economic matter and that if we need every hectare of farmland for social reasons, we should suitably adjust taxation on farming. Resources obtained from imposing higher taxation on more productive farmlands should be used to help the farmers cultivating the poorest soils. Such a policy would at last help to intensify the production on the sandy lands owned by the State Land Fund.

The controllers from the Gorzow Worker-Peasant Inspectorate propose that if it is impossible to develop fallow lands for farm production, they should be afforested if possible or turned into fishery ponds if marshy. But all this must be done as soon as possible.



## FRG STUDY ON SOVIET, GDR, CEMA ENERGY POLICY, PROSPECTS

Bonn DAS PARLAMENT (AUS POLITIK UND ZEITGESCHICHTE supplement) in German B32/86, 9 Aug 86 pp 49-62

[Article by Dr Jochen Bethkenhagen, member of the research staff of the German Institute for Economic Research (DIW) in West Berlin: "The Energy Policy of the Soviet Union and the GDR"]

[Text] The energy situation in the Soviet Union differs a great deal from that in the GDR. Though the Soviet Union is the preeminent political power in the Council for Economic Mutual Aid (CEMA), it can be characterized as the leading economic power only in the energy sector. It has available extensive primary energy resources (coal, oil, natural gas). These resources are sufficient to completely meet domestic needs and the energy supplies of the Soviet economy therefore enjoy independence vis-a-vis crises on the world market. On the domestic market, the USSR is thus able to exploit many energy political options: If difficulties arise in one sector--for example oil production--, they can be counterbalanced by others--such as natural gas production.

This policy also enabled the Soviet Union in recent years to maintain its extensive energy exports. Each year about one sixth of energy raw materials was exported. In trade with the West, the Soviet Union earned as much as about 80 percent of its foreign exchange from exports of oil, oil products and natural gas.

In contrast to the Soviet Union, the GDR is poor in raw materials. Hard coal, oil and natural gas need to be imported. Only brown coal is now available in sufficient dimensions. The GDR intensively exploits deposits to keep spending for energy imports within the narrowest possible limits. That, however, involves heavy expenditure on the development and recultivation of opencast mines as well as serious sulfur pollution arising from the use of sulfuric brown coal as fuel. This is demonstrated by the fact that the GDR is the major world producer of brown coal and also generates the greatest sulfur emissions in Europe.

The Soviet Union is the major energy supplier for the GDR. In return it obtains mainly capital goods from the GDR. In so far the economic potentials of the two countries complement one another. The strong concentration on

Soviet energy supplies offers the GDR three further benefits: First of all energy supplies may be calculated for a considerable period ahead, due to long-term plan coordination. Secondly, Bloc self-sufficiency of energy supplies, considered important from the political aspect, is thereby guaranteed. Thirdly, the GDR does not have to spend hard (foreign) currency, something that is in chronically short supply.

We have no evidence that the Soviet Union has used the GDR's dependence on its energy supplies to exert political or economic pressure. In fact there are reasons and indices contradicting the use of this instrument. As the preeminent power in CEMA, the USSR is bound to be interested in the political stability (secured by economic stability) of these countries. This situation involves a certain duty to supply them and forbids a policy of exploitation that might threaten economic stability. These very considerations may have caused the Soviet Union in the mid-1970's to agree to a price formation principle in CEMA inter-Bloc trade, that was unprofitable for them at the time. This principle resulted in the smaller CEMA countries being charged prices for Soviet oil and gas deliveries, that were in some instances well below the world market level. Admittedly, this situation has lately been reversed.

## I. Soviet Energy Policy

### Extensive but Poorly Distributed Energy Resources

The Soviet Union has available enormous resources of coal, oil and natural gas (1). Its coal reserves may be described as a potential that appears inexhaustible in the foreseeable future. Assuming the current level of production is maintained, reasonably accessible hard coal reserves would not be exhausted until 500 years, total reserves not until 6,000 years from now. The USSR withholds information about the extent of its oil resources: This has been a state secret since 1947. Available data are therefore always based on estimates, and we cannot exclude the possibility that the result is affected by political or economic interests. The Soviet Union is more forthcoming about its natural gas deposits. The latest figure mentioned was some 41,000 billion cubic meters--a third of world reserves. The present output volume could thus be maintained for 60 years.

The expansion of fuel production is therefore not really limited by the reserve situation. However, the extent of available investment resources does represent a limiting factor. Due to the unfavorable regional distribution of the fuel reserves, costs of production and transportation are relatively high. While some 75 percent of the energy produced are used in the European part of the country, only 10 percent of energy resources are concentrated there. Consequently fuel production has to be increasingly shifted east--in particular western Siberia. At the present time some 60 percent of oil and natural gas output are generated in western Siberia (1970: 7 percent). As a result production costs are rising, because these deposits are located in regions with severe climatic conditions and do not lend themselves to easy settlement.

The climate is the major obstacle to the development of western Siberian fuel deposits: Giant swamps in summer and icy cold in winter obstruct--and raise the price of--the construction of an efficient infrastructure, and make it very difficult to settle workers there. Despite considerably higher wages, longer vacations, larger apartments and lower retirement age, the authorities have not succeeded in motivating enough workers to move to western Siberia.

Another cost factor arises from the increasing length of transportation distances. This is indicated by the plans for the construction of new pipelines in the 1986-1990 quinquennial. A total of seven natural gas pipelines, including several starting at Yamburg in northwestern Siberia, are to be constructed to connect with the European centers of consumption (2).

#### Despite Sharply Rising Fuel Production...

Soviet energy policy may be described as tending to be offer oriented. The planners still work on the principle that the energy offer must be adjusted to a set demand, instead of orienting demand to a set offer by means of mandatory conservation. This assumption is justified by the high level of energy consumption in the Soviet Union as well as by the high rates of growth of energy production.

Still, the output of energy sources has clearly slowed down since the end of the 1970's even in the Soviet Union. Nevertheless the USSR was able to further expand its status as the world's largest energy producer (see Table 1). The Soviet Union is currently the world's largest oil and natural gas producer; it is second to the U.S.A. with respect to coal. A quarter of world energy production originates in the Soviet Union.

Table 1: The USSR Percentage Share in World Fuel Production

Year	Oil	Natural Gas	Hard Coal	Brown Coal
1970	15.5	19.0	20.5	18.5
1975	18.5	22.5	20.5	18.5
1980	19.5	28.5	17.5	16.5
1984	22.0	34.0	16.0	13.0
1985 (1)	21.5	35.0	15.5	13.0

(1) Preliminary data

Sources: United Nations Statistical Yearbook 1983.

PETROLEUM ECONOMIST. Eurostat: Coal No 10/85

Natural gas output has developed very successfully in recent years. It was able to double its percentage of world production and now accounts for 35 percent. The successes of the Soviet natural gas industry are due mainly to the development of enormous deposits in western Siberia. The growth in the output of the Urengoy field, located in northwestern Siberia, for example, amounted to more than 200 billion cubic meters in the 1981-1985 5-Year Plan,

corresponding to almost the total increase in natural gas production (from 435 billion cubic meters to 643 cubic meters). The indirect involvement of Western firms in the development of the natural gas fields is likely to have contributed to the enormous growth in production. This contribution consisted mainly in the supply of large-diameter (144 cm) pipes and high-capacity compressor stations (25 Megawatt). However, we should not overestimate the influence of Western equipment: In addition to the export pipeline from Urengoy to the western Soviet border (about 4,500 km), built largely with foreign equipment, the USSR laid another four and similarly long gas pipelines in the 1981-1985 5-Year Plan period, using domestic products only. The USSR is the world's greatest pipe producer; it only covers its marginal needs by imports. It was therefore able to complete ahead of time the export pipeline Urengoy-western borders, despite temporary suspensions of foreign deliveries consequent on the 1982 pipeline embargo.

Since 1977 (at the latest), Soviet oil production has been the center of attention of Western analyses of Soviet energy policy. At that time the CIA predicted that Soviet oil production would decline to roughly 400-500 million tons by the mid-1980's, and that the USSR would then become a net importer of oil (3). Both predictions turned out to be wrong. Output volume in 1985 amounted to just below 600 million tons, and roughly 25 percent were exported. The CIA estimate had been political dynamite especially because it provided an important indirect motivation for the expansion of Soviet influence in the Mideast.

Admittedly, in recent years the Soviet oil industry was unable to meet the plan targets. In 1984 and 1985 output actually dropped (by a total of about 20 million tons). The following may have been the reasons:

- Equipment suitable for the climatic conditions is often lacking;
- It takes too long for the use of modern production method (so-called tertiary methods) for maintaining deposit pressure to be established;
- The premium system favors the wasteful exploitation of deposits, because it rewards high drilling performances rather than the optimum exploitation of the deposit;
- The major deposits are beginning to run out and must be replaced by the development of many smaller fields.

The difficulties in the oil industry resulted in the firing of the competent minister in February 1985. He was replaced by V.A. Dinkov, the former minister in charge of the successful natural gas industry. Since the beginning of this year, the monthly figures show a renewed rise in oil output. If this trend were to continue, we might expect a 610 million ton output volume for 1986. At the present time, though, it seems unlikely that the 635 million ton target set for 1990 can be achieved. In view of the above mentioned problems, the stabilization of output level at more than 600 million tons must already be considered a success.



Altogether, the production targets set in the 1986/1990 5-Year Plan appear very ambitious. Production of primary energy is to grow by an annual average of almost 4 percent (the actual achievement in 1981/1985: 3 percent). Large growth rates are assigned mainly to natural gas and coal output but also to nuclear energy production. These data also demonstrate that the Soviet Union intends to continue pursuing its primarily offer oriented energy policy. This policy ties up extensive investment resources in the energy sector. At the present time about 25 percent of all investment resources are expended on the fuel industries, and this percentage is supposed to rise again through 1990.

#### Ambitious but Unrealistic Nuclear Power Program

In 1985, the Soviet Union obtained 10 percent of its electricity production from nuclear power plants. This is a relatively small percentage by international standards. The corresponding figure in the European Community, for example, was 32 percent, though only six member countries operate nuclear power plants. The expansion of nuclear energy in the Soviet Union has always been hampered by substantial plan arrears. According to the plans, 40,000 MW [megawatt] capacities were supposed to have been installed by 1985; the capacity actually available was only 27,000 MW. This caused N.I. Ryshkov, chairman of the USSR Council of Ministers, to complain at the latest CPSU Party Congress that "the Ministry of Power and Electrification has failed to fulfill the targets for commissioning capacities in nuclear power plants in the Eleventh 5-Year Plan period, and this resulted in an additional demand for natural fuels. In view of our country's straitened fuel balance and the growing role of nuclear energy, such derailments will not be admissible in future."(4)

Table 2: The Development of Fuel Production in the USSR 1970-1985

Year	Oil (million tons)	Natural Gas(1) (billion cubic meters)	Coal(2)	Including	
				Hard Coal(2)	Brown Coal(2)
			million tons		
1970	353	198	578	433	145
1971	377	212	591	441	150
1972	400	221	603	451	152
1973	429	236	614	461	153
1974	459	261	630	473	157
1975	491	289	645	485	160
1976	520	321	654	494	160
1977	546	346	664	500	164
1978	572	372	665	502	163
1979	586	407	658	497	161
1980	603	435	653	493	160
1981	609	465	638	481	157
1982	613	501	647	488	159
1983	616	536	642	487	155
1984	613	587	635	483	152
1985	595	643	650	495	155

(1) Volume at 20 degrees Centigrade and 760 megabars

(2) Net output

Source: DIW data bank on CEMA energy

Despite its wealth of fossile fuels, the Soviet Union started on the civilian use of nuclear energy at a very early date. In 1954, the first nuclear power plant in the world was commissioned in Obninsk--equipped with a 5 MW pressure tube reactor. To be sure, there was also a connection between civilian and military use, because pressure tube reactors are particularly well suited for the production of weapon grade plutonium (5).

The decision to use nuclear energy to a large extent for the production of electricity was adopted only at the Twenty-fourth CPSU Party Congress in 1971 (the plan then forecast 30,000 MW for 1980, only 13,400 MW were actually realized). This indicates two further motives for the civilian use of nuclear energy in the Soviet Union:

-- It became evident at that time that the regional imbalance between demand and output will steadily grow. This results in rising costs for the production and transportation of fuels. Nuclear power plants, on the other hand, can be constructed close to key consumption points.

-- Fossile fuels will be exhausted at some future date. Though this might be a long way off, Soviet independence in matters energy might be threatened if no alternative were available. The Soviet Union considers nuclear energy an alternative to fossile fuels, especially because--as in all countries with nuclear weapons--this energy may be developed as a byproduct of the military use of nuclear power.

Table 3: The Production of Primary Energy in the USSR

	Unit	Production			Percentage Increase(2)	
		1980	1985	1990(1)	1985/80	1990/85
Oil	million tons	603	595	635	- 0.3	1.3
Nat.Gas	billion cbm*	435	643	850	8.1	5.7
Coal (3)	million tons	653	650	710	0.0	1.8
Nuc.Energy	billion kWh**	72	170	390	18.8	18.1
Total	Peta-Joule	54,520	61,610	75,393	2.8	3.8

\* Cubic meters

\*\* kilowatt hours

(1) Planned

(2) Annual average

(3) Net output

Sources: DIW data bank on CEMA energy and USSR 5-year plan

Extracts from a long-range USSR energy program (6), published in 1984, also mention alternative energy sources: Solar energy is to make a contribution to energy supplies mainly in the southern parts of the country. However, the quantitative input of regenerating energy sources (wind and solar energy, geothermal energy and biomass) is estimated at only 20-40 million tons hard coal equivalent by the year 2000. This corresponds to 1-2 percent of primary energy consumption.

Civilian use of nuclear energy in the USSR is based on three different reactor lines:

-- Pressure tube reactors (also called RBMK reactors in the USSR); they are cooled by light water and moderated by graphite. This type of reactor accounted for two thirds of the USSR's nuclear power capacities at the end of 1985. The RBMK reactor destroyed at Chernobyl had a 1,000 MW capacity. Its prototype was commissioned in Leningrad in 1974. At Ignalinsk, in 1983, the first 1,500 MW block joined the network. This type of reactor is not exported, presumably because it is relatively easy to divert (military grade) plutonium 239.

-- The so-called pressurized water reactor (VVER) was developed for home consumption and export. Water is the coolant and moderator. Pressurized water reactors are constructed mainly in Volgogradsk (Atomash). The 1,000 MW prototype--it entered the network in 1980 at Novo-Voronezh--was the first reactor in the USSR to be equipped with containment.

-- Three fast breeders are operating in the USSR at the present time. They are located in Ulyanovsk (capacity 12 MW, commissioned in 1969), Shevchenko (350 MW, 1973) and Sverdlovsk (600 MW, 1980). A second block with 800 MW is to be commissioned in Sverdlovsk in the early 1980's.

The use of breeder reactors is the logical consequence of an energy policy geared to nuclear energy in the long term. According to Soviet calculations, the currently accessible uranium deposits amounting to 4 million tons worldwide will be exhausted by 2030 unless breeder reactors are used and produce more fissile material than needed for their own operation. When used in breeders, natural uranium can yield 20-30 times more energy than when it fuels traditional reactors (7).

The potential employment of nuclear energy is also to be expanded by the construction of thermal nuclear power plants and nuclear heating plants. Construction of the first thermal nuclear power plant was begun near Odessa in 1984; it is located 25 km outside the city. The plant is to be commissioned "even before 1990." A second plant is being built in Minsk. Both plants are to be equipped with 1,000 MW blocks. Nuclear energy in these plants is still to be used mainly for the production of electricity. Nuclear heating plants proper, on the other hand, are being constructed as pilot projects in Novo Voronezh and Gorki. They are to be located very close to the customers, that is only 2-3 kilometers outside city limits, because otherwise transportation costs and heat losses during transportation would be prohibitive. For cost reasons, these plants also will be constructed with relatively large block units (thermal capacity 500 MW).

There is no indication at this time that the Chernobyl disaster has led the USSR party and economy leaders to completely reconsider the civilian use of nuclear energy. Though Gorbachev admitted that the country had been for the first time confronted with a hazardous force such as nuclear energy escaped from control, he added that, in view of the 370 reactors now in operation, it was almost impossible to imagine the future of the world economy without the continuing use of nuclear energy (9).

Nor does the law on the 1986/1990 5-Year Plan, enacted in June 1986, display any corrections with regard to the expansion of nuclear energy as promulgated in the plan directive of the CPSU Party Congress. Even after Chernobyl, the authorities stand by their original intent to double to 20 percent the share of nuclear energy in electricity production by 1990. This requires the expansion of nuclear power capacities by 20,000 MW to 67,000 MW. We are bound to ask ourselves whether this target can really be considered realistic. One consequence of the disaster should at least be the review of safety provisions at all nuclear power plants. This will involve another delay in the expansion of nuclear power. To avoid bottlenecks in electricity production, the Soviet Union will probably be compelled to continue operating old conventional power plants, earlier planned to be abandoned.

#### Conservation Policy Slowly Gaining Ground

The level of energy consumption is extremely high in the USSR. Per capita consumption in 1984 stood at 6.9 tons hard coal units (SKE). This means that the level of consumption was 15 percent above that in the FRG (6.0 tons SKE). Even taking climatic differences into account, these figures may serve as an indicator of energy waste, because per capita output volume in the Soviet Union is well below 50 percent of the Federal German level, in other words energy expenditure per production unit in the USSR is substantially greater than in the FRG.

Energy conservation in the Soviet Union is hampered mainly by insufficient material incentives. Low energy costs--to some extent independent of consumption--encourage waste. Charges are often based on rough estimates (for example for natural gas supplies to private households), because there are no meters.

Following the second oil price push, even the Soviets reviewed their energy policy. Excerpts from a long-range energy program were published in 1984. The most important targets may be summarized under three headings:

- Lowering specific energy consumption in the national economy--in particular oil consumption.
- The replacement of oil, initially mainly by natural gas, later by coal.
- Lowering the demand for fossile fuels by the above proportional use of nuclear and hydro energy.

However, electricity consumption is to grow well above the average. The data of the long-range program reveal that a 4 percent annual rise is planned for the next 15 years.

As regards the actual implementation of the planned conservation measures, we are bound to be skeptical in view of the many system related obstacles. The planned replacements, especially of oil by natural gas, may do better. The chief measure envisaged is the conversion of oil fired power plants currently still consuming 100 million tons fuel oil. This kind of replacement can be enforced by central decisions. Conservation, on the other hand, requires many



decentralized measures and is very difficult indeed to realize in the present Soviet economic system. At the same time it is more than likely that the economic pressure on Soviet economic planners with regard to energy conservation will grow even more in the next few years, certainly from the aspect of foreign trade. If oil prices should remain low in the medium range, the USSR will have to endeavor to expand its export potential of energy by increased conservation at home so as to compensate thereby at least some of the revenue lost.

#### Oil and Gas Exports Dominate USSR Trade with the West

Energy raw materials are a significant source of earnings for Soviet foreign trade. At the present time energy output exceeds domestic demand by one sixth, with the result that a substantial volume of oil, natural gas and oil products can be exported. Energy sources yield 50 percent of Soviet export earnings. At the time of rising oil and energy prices, they represented the decisive growth factor of Soviet foreign trade. They helped conceal the inadequacies of Soviet competitive capacity in terms of world trade.

Table 4: USSR Consumption of Primary Energy (Development and Structure 1970-1984)

Year	Total		Percentages					
	million tons SKE	Percentage (1) Change	Oil	Natural Gas	Coal	Nuclear Power	Hydro Power	Others (2)
1970	1,095	4.3	34.2	21.5	34.8	0.2	4.4	4.9
1975	1,403	5.1	37.5	24.0	30.8	0.6	3.3	3.9
1980	1,664	3.5	38.3	27.2	26.3	1.7	3.9	2.5
1981	1,715	3.0	38.2	28.2	24.9	2.1	3.9	2.8
1982	1,764	2.9	37.3	29.9	24.8	2.2	3.5	2.4
1983	1,813	2.8	36.4	31.3	24.1	2.4	3.4	2.3
1984 (3)	1,869	3.1	34.9	33.3	23.3	2.9	3.3	2.2

1) Compared with the previous year: 1970, 1975 and 1980: Average annual growth in the preceding period (1966-1970, 1971-1975, 1976-1980).

2) Wood, peat, slate.

3) Preliminary data.

Sources: NARODNOYE KHOZYAYSTVO SSSR; DIW data bank on CEMA energy.

The structure of Soviet export commodities assumed a virtually monocultural nature. In 1980 the Soviet Union obtained roughly 80 percent of its export earnings from exports of just below 70 million tons oil and oil products as well as about 35 billion cubic meters natural gas. While the Soviet Union benefited for many years from riding on the coat tails of OPEC's cartel policy, it is now among the losers. At the present time the price related loss of earnings is substantial. The USSR exported roughly 500 million barrels (almost 70 million tons) of oil and oil products to the West in 1985. If the annual volume remains unchanged, a \$1 drop in the barrel price

corresponds to a loss of earnings in the amount of \$0.5 billion. A decline in prices from \$27 to \$15 per barrel would result in a \$6 billion earnings loss --corresponding to almost 30 percent of 1985 Soviet exports to the OECD countries. Since the natural gas price is linked to that of fuel oil, Soviet revenues from natural gas exports will also decline, albeit with some delay. The loss in this instance may be estimated at \$1 billion, but its full effect will not be felt until 1987 (10).

By reason of energy policy, the potential for compensating these earnings losses is strictly limited. A definite rise in exports is to be expected only for natural gas. Due to contracts concluded earlier, the 1990 export volume will exceed that of 1985 by 50 percent. Further possibilities for expansion of natural gas exports are limited mainly by the demand in the West European countries.

No such quantitative expansion is to be expected in the case of oil. Admittedly, in this instance the Soviet offer is the crucial limiting factor. Even if Soviet output plans were to be fully realized, the export potential is unlikely to grow much. Still, we cannot exclude the possibility that the Soviet Union will be able by the increased use of natural gas on the domestic market to release additional oil for export. A slight rise in oil deliveries to the West would not, therefore, be surprising.

## II. GDR Energy Policy

### Resources: Brown Coal Predominant

In contrast to the Soviet Union, the GDR has few energy resources. The only exception is brown coal, and it is therefore used very intensively. The currently accessible reserves are claimed to be 20 billion tons, enough to maintain the 1985 output volume (313 million tons) until 2050. Brown coal is produced by strip mining exclusively. This will be the case far into the future, though mining will need to shift from the current 40-80 meter depth to 80-120 meters, and this will raise production costs. Brown coal mining already involves considerable hardships for the areas concerned. Villages must be moved, roads diverted and ground water levels lowered.

GDR brown coal mining is now concentrated in two districts: About two thirds of the brown coal output is produced in the Cottbus (Lausitz) region, one third in the Halle/Leipzig region. The average sulfur content of brown coal mined in the latter region (roughly 2 percent) is about twice as great as in the region East of the Elbe.

In addition to brown coal, the GDR has available minor natural gas deposits, located mainly in the border region near Salzwedel (Magdeburg Bezirk). However, the thermal value of 3,000-3,500 kcal/Nm<sup>3</sup> (kilo calories per cubic Newton meter) is well below northwest European standards (7,600 kcal/Nm<sup>3</sup>). The GDR's extensive uranium deposits are still exploited by the Soviet-German Corporation (SDAG) Wismut, the only remaining SDAG. These corporations were established after the war to safeguard reparations to the Soviet Union. The uranium is shipped to the USSR, both the volume and the terms are state secrets.

**Production and Consumption: Large Brown Coal Percentage to Keep Import Dependence Low**

GDR energy policy in the 1970's aimed at expanding the share of oil and natural gas in energy consumption. In contrast to coal, both these energy sources are easily shipped and converted with little loss. The policy changed after the second oil price push. In 1980 Erich Honecker proclaimed the principle for energy policy in the 1980's: "Brown coal needs to be used wherever heating oil is still used as fuel, in order by deeper splitting to use more high quality and refined chemical products."<sup>(11)</sup>

The second oil price push reinforced the belief in the GDR as well as most Western countries that the inflation of oil prices was going to continue for a long time. The GDR responded to this new "datum" by three main measures:

-- Extensive investment resources were made available for the emphatic expansion of brown coal mining.

-- Almost all fuel oil using boilers were converted to brown coal firing in the 1981-1985 5-Year Plan period.

-- Excessive energy consumption was to be lowered by many administrative measures.

In fact the GDR was able in the past to further expand its status as the world's biggest producer of brown coal. Output rose from 256 million tons (1980) to 313 million tons (1985; compared with 121 million tons in the FRG). Lately the GDR met more than 70 percent of its primary energy consumption by brown coal mined at home. At the same time it substantially reduced the already relatively low consumption of oil products. The percentage of oil consumption dropped from 20 in 1979 to 10 in 1984.

Disregarding cuts in the consumption of (imported) hard coal, nothing much has changed with regard to the relative importance of the other energy sources.

Primary energy consumption was reduced in absolute terms in 1980-1983. The successes achieved by way of conservation are remarkable insofar as they occurred at a time of notable economic growth:

**Average Annual Percentage Changes**

	1979/1975	1983/1979	1984/1983
Primary energy consumption	+ 2.5	- 0.7	+ 2.7
National income	+ 4.1	+ 4.1	+ 5.5

Energy consumption has risen again since 1984. That indicates that initially no more than the easily exploitable conservation potential was developed, because energy consumption in the GDR is still relatively great: Per capita consumption is about 20 percent greater than in the FRG.

Conservation was achieved mainly by industry. Energy consumption there was planned more exactly and controlled more strictly. An energy commission at the GDR Council of Ministers, set up in 1979, was called upon to draft conservation measures. Their implementation is supervised by a so-called energy inspectorate. Violations may be punished by fines or otherwise. In the field of transportation, road freight was shifted to the railroad or ships; the electrified railroad network was extended. Private consumers, on the other hand, were not affected by higher energy prices: Ever since 1946 they have paid just 8 pfennig per kilowatt hour, 16 pfennig for cubic meter of city gas. The state compensates the higher costs by subsidies. Households spend only an average M25 (1.5 percent of household incomes) per month on electricity, heating, gas and water. This price policy has socialist motivations but encourages the waste of energy.

The GDR economic leaders, therefore, responded to the oil price pushes of the 1970's by enforcing cut-backs in consumption and replacing imports: Oil imports were superseded by domestic brown coal. In 1980, some 80 percent of energy needs were met from domestic sources (1979: 67 percent). There was no public discussion whatever of the export oriented strategy that focuses on the expansion of modern industries so as to earn foreign exchange for energy imports. Actually the strategy of import replacement is probably more than the reflection of the desire for self-sufficiency: The GDR was compelled to realize that inadequate export capacities would not admit a more efficient and non-polluting energy policy.

The adverse environmental effects of intensive brown coal use have been underestimated in the GDR or else accepted as inevitable. The GDR is now the worst sulfur polluter in Europe; as long ago as 1982, it was calculated that the GDR emitted a total of 5 million tons sulfur<sup>(12)</sup> that year (as a matter of comparison, FRG 3.1 million tons). Brown coal burning is largely to blame. Evidently the authorities consider major efforts at waste gas desulfurization too costly at the present time, the regions around Halle/Leipzig and Cottbus are particularly heavily polluted. The GDR's biggest brown coal power plant at Boxberg/Oberlausitz (3,500 MW) alone emits almost 0.5 million tons sulfur per annum. Nor is any significant improvement of the situation to be expected in the second half of the 1980's: The directive to the 1986-1990 5-Year Plan devotes scant six lines to the preservation of clean air. It therefore seems highly unlikely that the GDR will be able to meet the obligations it incurred at the ECE environmental control conference of July 1985. This enjoined a reduction in total sulfur emissions in 1993 by at least 30 percent compared with 1980 values.

#### Foreign Trade: Close Ties With the USSR

GDR import policy in the energy sector is characterized by particularly strong ties with the Soviet Union. The Soviets account for 100 percent of total natural gas imports, 75 percent of total oil imports and 66 percent of total coal imports. The GDR is entirely dependent on Soviet deliveries of fuel rods for its nuclear power plants, because alone in CEMA the USSR has the necessary plant for enriching uranium. It should be noted that, ever since 1979-1980,





the GDR imported more crude oil from the Soviet Union than it needed to meet the domestic demand. Evidently it processed this "excess" into products later exported to Western countries.<sup>(13)</sup>

The GDR's dependence on energy supplies from the Soviet Union is certainly politically motivated. On the other hand, it offers the GDR several benefits in prevailing economic conditions (such as the chronic shortage of foreign exchange): In the course of plan coordination, the GDR concludes long-term supply contracts with the GDR; this enables it to carry out its 5-year planning on the basis of largely assured raw materials supplies. With the involvement of the GDR and the other smaller CEMA countries in the necessary investments, an international network of oil and natural gas pipelines has been constructed, that makes it possible to cheaply ship energy sources from the USSR. The "united energy network of the CEMA member countries" was created to equalize excess electricity consumption loads. As a result, the GDR needs fewer reserve capacities.

The GDR's investments may be described as compensation agreements stretching across long periods. Both parties make their contributions in kind: GDR enterprises, for example, construct one section of a natural gas export pipeline in the Soviet Union, from western Siberia to the western Soviet borders. The Soviet Union makes its interest and principal payments by supplying natural gas. However, nothing is known about the financial terms of these buy back transactions.

For the longest time (1974-1983) Soviet energy prices were very favorable for the GDR. Prices in CEMA inter-Bloc trade are generally fixed as an average of the world market prices prevailing in the preceding 5 years. When we compare Soviet accounting prices with world market prices (Figure 1), we see that some USSR prices were well below world market prices. This seems to indicate that energy supplies may have benefited from an indirect subsidy to the GDR and the other CEMA countries,<sup>(14)</sup> an indication that offers a sharp contrast to the exploitation theory often advanced. We must assume that the USSR decided on these indirect subsidies for politico-economic reasons. If the GDR and the other CEMA countries would have had to pay prevailing world market prices, they would have gotten into even greater financial difficulties.<sup>(15)</sup> In fact, even at these lower energy prices, the GDR was unable to counterbalance the higher energy costs by increased exports. Its annual trade balance with the USSR has shown a deficit since 1975. By 1985 the accumulated deficit amounted to some 4 billion transferable rubles (slightly less than \$5 billion).

If--as appears likely at this time--oil prices remain at a lower level in the medium term, the GDR will have a better opportunity to reduce the deficit. However, just now the GDR is feeling the disadvantages of the CEMA price fixing system: While world market prices are dropping, the principle of 5-year averages means that accounting prices are above world market prices. If world market prices were to remain unchanged through 1990, Soviet accounting prices would not achieve the world market level until 1991. To

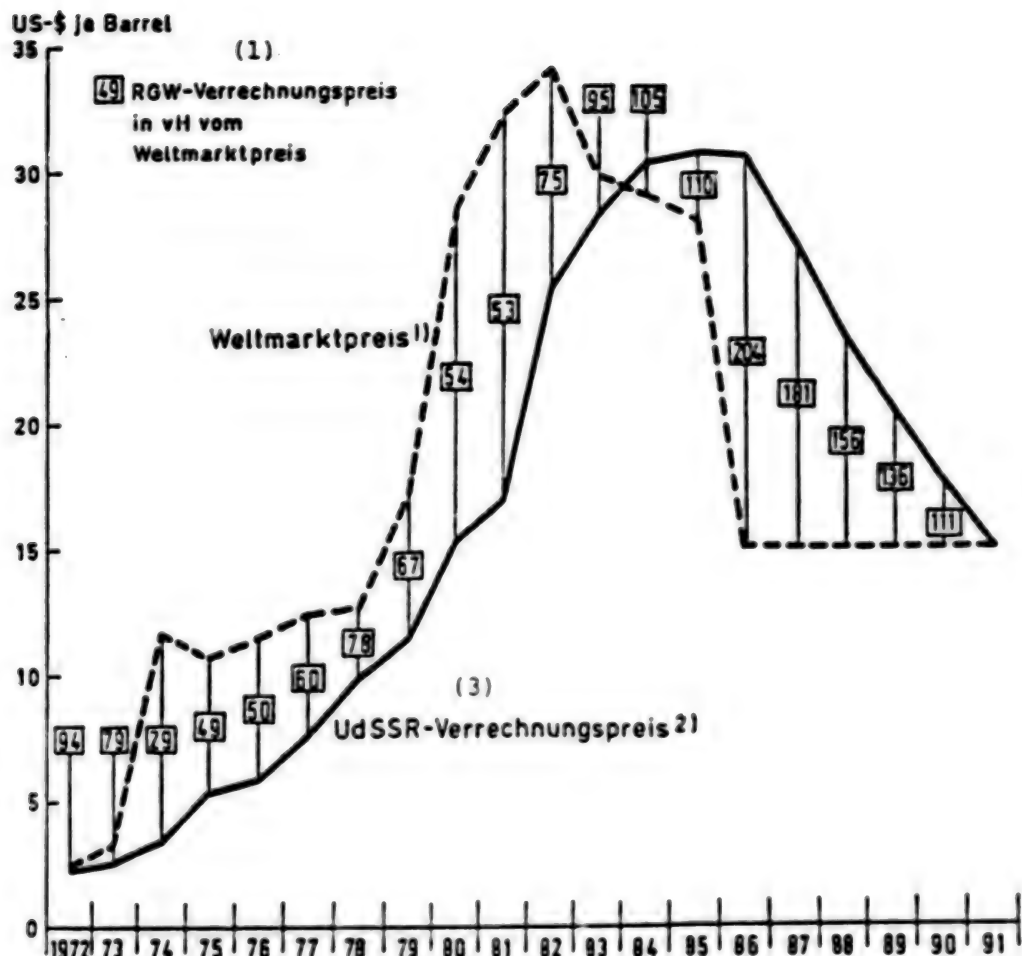


Figure 1. Development of Oil Prices--World Market Prices and USSR Accounting Prices in CEMA 1972-1991\*

Key:

1. CEMA accounting price as percentage of world market price
  2. World market price<sup>(1)</sup>
  3. USSR accounting price<sup>(2)</sup>
1. 1972-1985: Price of Arab light, fob Ras Tanura. From 1986 hypothetical price of \$15 per barrel.
  2. 1972-1984: USSR accounting price for oil deliveries to the GDR. From 1985 on: Average of world market prices in the preceding 5 years.

\* 1986-1981 model calculation.

some extent the GDR would thus be denied the price advantage of the world market and some of the indirect subsidies canceled out.

#### Are Ambitious Nuclear Power Plans Still Realistic?

Nuclear energy in the GDR is still fairly insignificant. In 1985, nuclear power met around 10 percent of electricity consumption; it accounted for only 3 percent of the total primary energy demand. At this time the GDR has two nuclear power plants with a total capacity of 1,830 MW.

The GDR was the first of the smaller CEMA countries to commission a USSR supplied pressurized water reactor in 1966, at Rheinsberg, about 70 km north of Berlin. This relatively small reactor (70 MW) is used primarily for research and training purposes. The second nuclear power plant (KKW North) began operations in 1973. It is located at Lubmin near Greifswald and equipped with four 440 MW pressurized water reactors from the USSR. The total present capacity of this plant (1,760 MW) would suffice to supply the electricity requirements of a city the size of West Berlin.

The capacity of the latter plant is to be doubled by 1990, raising the nuclear electricity percentage to 15. When explaining the directive to the 1986-1990 5-Year Plan at the latest SED Party Congress, Premier Stoph said: "The North Nuclear Power Plant is to be completed by 1990. The test operation of the first 1,000 MW reactor block in the Stendal Nuclear Power Plant is to be prepared. In addition we assume that the prerequisites for the further expansion of nuclear energy will be created in the period through 1990."<sup>(16)</sup> At the present time only tentative GDR estimates are available for this "further expansion." If they were to be realized, nuclear power plants would provide roughly 30 percent of electricity capacities (9,600 MW) in 2000 and about 55 percent (23,000 MW) in 2020.<sup>(17)</sup>

Doubts about the realization of these plans antedate the Chernobyl disaster. In recent years the expansion plans failed to be carried out as planned. In the last 5-Year Plan period, for example, the nuclear power percentage was to be raised to 12-14 percent (the actual 1985 result was 10 percent). The currently planned doubling of capacities in the North Nuclear Power Plant was originally envisaged for the first half of the 1980's.<sup>(18)</sup>

It is hard to judge in how far safety problems in the operation of Soviet reactors may have contributed to the delays. However, there is a remarkable comment on the Chernobyl disaster by Sitzlack, manager of the GDR State Office for Nuclear Safety and Radiation Protection: "The GDR applies its own national and additional safety provisions, and their observance is strictly enforced on industry and all those concerned."<sup>(19)</sup> This may be interpreted as meaning that the GDR considers Soviet safety standards inadequate.

Like all 440 MW pressurized water reactors in CEMA, the two nuclear power plants in the GDR are not equipped with containment. By now even Soviet designers appreciate this as a defect. At any rate, 1,000 MW reactors will from now on be equipped with burst protection. The nuclear power plant at



Arneburg near Stendal, 100 km west of Berlin, now on the drawing board, would therefore be the first plant in the GDR to be provided with containment. A "steel cell compound method" was developed as a makeshift provision for the 440 MW reactors and built into the North Nuclear Power Plant. Also in operation there is a GDR developed complex early warning system designed to spot trouble by way of a so-called "noise analysis".<sup>(20)</sup>

The Chernobyl accident made it necessary to review the safety of all reactor lines developed in the USSR—including the pressurized water reactors used in the GDR. This will presumably result in further delays in the construction of nuclear reactors. In a recent interview with a Swedish newspaper,<sup>(21)</sup> Erich Honecker said that the GDR intended to further expand nuclear energy; however, the report about the causes of the Chernobyl disaster would first have to be studied. The phraseology he used indicated the political intent to downplay the importance of nuclear power. For instance he related its share not to electricity but to energy consumption as a whole (3 percent rather than 10 percent). He also said "that nuclear power was not the last word," and that people in the GDR were glad "we decided for brown coal instead of nuclear power." In the present situation it is (still) unlikely that this indicates the beginning of a cooler attitude to the civilian use of nuclear power, let alone the abandonment of nuclear energy. At the same time, these comments clearly show that the controversy about the use of nuclear energy is entering the GDR from the FRG and compels the political leaders there to respond.

### III. Sidetrip: The Nuclear Energy Programs of the Other CEMA Countries

The expansion of nuclear energy is part and parcel of the nuclear energy program of the smaller CEMA countries. That program, too, is plagued by chronic plan arrears: The general agreement, signed in 1977, provided for the nuclear power plant capacities in all smaller European member countries (Bulgaria, CSSR, Poland, Romania, Hungary) as well as in Cuba to be expanded to a total of 37,000 MW by 1990. This plan has certainly been unrealistic for a number of years. When we look at the currently available information about the 1986-1990 5-Year Plans of the smaller European CEMA countries, the following emerges:

Czechoslovakia is planning the greatest capacity growth (2,200 MW). The capacity at Dukovany is to be raised from 440 MW to 1,760 MW. The plan for Mochovce (western Slovakia) provides for the commissioning of the first 880 MW. Construction is to continue at Temelin (southern Bohemia), where four 1,000 MW reactors are to begin operations in the 1990's. In addition two more locations for nuclear power plants are to be chosen in the current 5-Year Plan period and the start-up of construction prepared. According to the directive to the 5-Year Plan, the share of nuclear energy in electricity production is to rise to 28 percent; this corresponds to double the 1985 volume.

**Table 6. The Importance of Nuclear Energy for the Electricity Production of the Smaller CEMA Countries in 1985**

	Capacity		Production		KKW* Share in	
	Total	KKW	Total	KKW	Capacity	Production
	MW		billion kWh		Percent	
Bulgaria	9,800	1,760	41.6	13.1	18.0	31.5
CSSR	19,700	2,200	80.6	11.8	11.2	14.6
GDR	22,000	1,830	113.8	11.2	8.3	9.8
Hungary	5,930	880	27.0	5.0	14.8	18.5
<b>Total</b>	<b>53,730</b>	<b>6,670</b>	<b>263.0</b>	<b>40.5</b>	<b>12.4</b>	<b>15.4</b>

\*KKW - nuclear power plant

Sources: Plan fulfillment reports by the CEMA countries and DIW estimates

Bulgaria will be the first of the smaller CEMA countries to commission a 1,000 MW pressurized water reactor. If everything goes according to plan, electricity production will begin this year; a second block is to follow in 1987, so that Bulgarian capacities will be expanded from 1,760 MW to 3,700 MW in the 1986-1990 5-Year Plan period. Nuclear power plants would then produce roughly 50 percent of electricity.

Hungary also plans to double its nuclear power plant capacities to 1,760 MW by 1990, at the Paks Works, located 100 km south of Budapest.

According to a 1982 Council of Ministers resolution, Poland intends to construct a nuclear power plant in Koszalin at the Zarnowiecki Lake with a 1,760 MW capacity. The first of the four reactors constructed in the CSSR will not be commissioned until 1990. If for no other reasons, the economic problems of the country will probably require an extended construction period. The construction of a second nuclear power plant--"Warta"--at Kujawy is to begin in 1987. Four Soviet 1,000 blocks are to be used there.

Romania's situation is special. It is the only CEMA country to have ordered reactors from a third country: Canadian heavy water reactors. Natural uranium is used to run the 600 MW Candu reactors, obviating the importation of enriched uranium (from the USSR). Five such reactors are to be installed at Cernavoda. According to Romanian reports, the first block is to be commissioned in 1987, though Canadian sources mention the early 1990's. Presumably as the result of its foreign exchange shortage, Romania began in the early 1980's to cooperate more closely with the USSR with respect to

nuclear energy policy. Three 1,000 MW pressurized water reactors of Soviet construction are to be used in the Moldova nuclear power plant. It is proposed by 1990 to meet about 25 percent of electricity needs by nuclear power plants; the planned capacities are for 4,000 MW. However, in this instance, too, considerable doubts remain with regard to the feasibility of the project. (22)

All CEMA countries intend to use nuclear energy for distant heating too initially by extracting heat from nuclear power plants. This is done at Greifswald, for example. Nuclear thermal plants are also to be constructed in the East European countries.

The nuclear energy policy of the CEMA countries features relative intensive international cooperation. This applies to research, nuclear power plant construction, fuel circulation and misuse control. The Soviet Union predominates in all these spheres. The East European countries, like the USSR, are signatories of the treaty on the nonproliferation of nuclear weapons and therefore submitted their nuclear installations to international checks for the prevention of the diversion of materials for weapons purposes. This supervisory body is the International Atomic Energy Organization (IAEO). (24)

#### IV. Outlook: Chernobyl and East-West Cooperation

The indisputable residual hazard of the civilian use of nuclear energy has been brought to public attention by the Chernobyl disaster. It is not the objective of this study to speculate whether it will in the long run be considered politically tolerable. The cautious comments by Erich Honecker on the use of nuclear energy do indeed demonstrate that the GDR--or the other CEMA countries--cannot stand aloof from the debate conducted in the West. The problem of environmental pollution was also first acknowledged in the West, and the discussion was subsequently exported to the CEMA countries.

New contacts might arise for East-West cooperation in the wake of the Soviet nuclear power plant disaster. First of all we must keep in mind that the Chernobyl catastrophe abundantly demonstrated the fact that safety is not divisible with regard to the civilian use of nuclear power either. Indeed, we might speak of an international community of hazard. If, and at the moment this appears to be the most likely option, the Soviet Union and the other CEMA countries continue the expansion of nuclear energy, this hazard might at least be reduced by East-West cooperation. In the circumstances, the Eastern side should therefore be offered the appropriate cooperation. Present obstacles in the field of technology transfer would have to be removed, because a restrictive policy would surely be counterproductive in this case. R and D related to economically acceptable alternatives to nuclear energy might also be in the mutual interest. Such cooperation is made more difficult at this time by the foreign exchange bottlenecks that are arising especially in the USSR as the result of the oil price drop.

Due to the use of fossile fuels, the problem of air pollution is getting steadily more urgent for the smaller CEMA countries, in particular the GDR.

It would initially be even more exacerbated by restrictions on the expansion of nuclear energy, because these countries evidently lack both the financial resources and advanced technologies. Western loans, earmarked for modern desulfurization and nitrogen removal equipment, might contribute to a radical reduction in pollutant emission. This would also do away with the alternative summarized as "nuclear energy of environmental pollution by fuel burning."

At the same time it would be desirable for the Soviet Union, the GDR and the other CEMA countries to acknowledge that the Jeplorable energy waste there not only results in higher costs but also involves greater hazards for the environment. Greater emphasis on energy conservation--including the use of Western technology--is therefore imperative.

#### FOOTNOTES

1. For details see Jochen Bethkenhagen and Hermann Clement, "Die Sowjetische Energie- und Rohstoffwirtschaft in den 80er Jahren. Ansatzpunkte fuer eine Zusammenarbeit mit der Bundesrepublik Deutschland" [Soviet Energy and Raw Materials Management in the 1980's. Possible Indications for Cooperation with the FRG], Munich-Vienna 1985.
2. IZVESTIYA, 19 June 1986.
3. See Central Intelligence Agency, "Prospects for Soviet Oil Production," Washington, D.C., 1977. These assumptions were contradicted in "USSR Confronted with Oil Deficit?" (by Jochen Bethkenhagen), DIW WOCHENBERICHT No 50/1977.
4. PRAVDA, 4 March 1986.
5. See Gloria Duffy, "Soviet Nuclear Energy: Domestic and International Policies" Santa Monica 1979, p 62. The fuel elements in a pressurized tube reactor may be replaced without turning off the reactor. Consequently it is possible at any time to remove nuclear weapons grade plutonium 239 without more than 2 percent of the plutonium 240 isotope arising (this latter is unsuitable for nuclear weapons). The longer the fuel rod is in the reactor, the greater that percentage. After the 2-3 years normal for rods to stay in the reactor for the electricity production, plutonium 240 achieves a 20-25 percentage. See NEUE ZUERCHER ZEITUNG, 15 May 1986.
6. See EKONOMICHESKAYA GAZETA, No 12/1984, supplement.
7. See G. Shasharin, "Nuclear Energy" (in Russian), PLANOVOYE KHOZYAYSTVO (1984) No 10, p 10.

8. Ibid., p 12, also L. Ackermann, "Radiation Protection Requirements in Regard to Heat Transfer from Nuclear Power Plants," KERNENERGIE (1985) Nos 11-12, p 453. See D. Hermann/B. Reetz/G. Schmidt/D. Ziegenbein, "Nuclear Heat Supply and Brief Thermal Storage," KERNENERGIE (1985), No 5, p 211, also conference report "Studies and Developments in the Field of Heat Supplies from Nuclear Energy," KERNENERGIE (1984) No 8, p 356.
9. See M. Gorbachev's address on Soviet television, NEUES DEUTSCHLAND, 15 May 1986.
10. The Soviet Union is additionally affected by the depreciation of the dollar. Its oil exports are invoiced in dollars, imports on the other hand (largely) in West European currencies. The resulting loss of purchasing power may be estimated at \$1.5 billion. See "Effects of the Oil Price Drop on the USSR" (by Jochen Bethkenhagen), DIW WOCHENBERICHT (1986), No 17, p 212 ff.
11. See NEUES DEUTSCHLAND, 14 October 1980.
12. See "Air Pollution in the GDR. The Emission of Sulfur Dioxide and Nitrous Oxides" (by Jochen Bethkenhagen, Doris Cornelsen, Rainer Hopf, Manfred Melzer, and Cord Schwartzau), DIW WOCHENBERICHT (1985) No 30.
13. See "Primary Energy Consumption in the GDR and Its Structure" (by Jochen Bethkenhagen), DIW WOCHENBERICHT (1985) Nos 51-52.
14. The savings arising from the price fixing principle cannot actually be precisely quantified, because the prices of commodities delivered by the GDR to the USSR are oriented to this principle. However, since energy prices rose considerably faster than other prices, the GDR has probably enjoyed an overall benefit.
15. Romania offers an example. It was the only CEMA country at the time not to import oil from the USSR at accounting prices. The country's payment difficulties were to some extent caused by oil imports from the world market. That is why Romania urged the USSR to supply it with oil at accounting prices. On the subsidy theory see M. Marrese/J. Vanous, "Soviet Subsidization of Trade with Eastern Europe," Berkeley 1983; Charles Wolf, "The Costs of the Soviet Empire," Santa Monica 1984.
16. NEUES DEUTSCHLAND, 21 April 1986.
17. See Guenter Schramm/Wolfgang Hahn, "Development Trends in Steam Turbines for Power Plants and the Prospects of Their Use in the GDR," ENERGIETECHNIK (Leipzig) (1985) No 12, p 442.
18. See NEUES DEUTSCHLAND, 17/18 January 1981.
19. NEUES DEUTSCHLAND, 30 April 1986.



20. See Wolfgang Mehringer, "Safety Retrofitting of Nuclear Power Plants in the GDR," IGW INFORMATIONEN ZUR WISSENSCHAFTSENTWICKLUNG UND -POLITIK IN DER DDR (1986), No 1; P. Liewers, "Early Spotting of Damage by the Analysis of Dynamic Signals," KERNENERGIE (1984) No 2, p 58ff.
21. Erich Honecker interview with DAGENS NYHETER, in NEUES DEUTSCHLAND, 25 June 1986.
22. See NEUER WEG, 25 April 1985; FINANCIAL TIMES, 26 March 1986; NEUER WEG, 19 July 1984, SCINTEIA, 20 June 1985.
23. See, for example, B. S. Bativ and others, "Heat Supplies for Major Urban Centers From Nuclear Energy Sources," KERNENERGIE (1985) No 11-12, pp 446ff.
24. See Jochen Bethkenhagen, "The Nuclear Policy of the CEMA Countries," in Karl Kaiser/Franz J. Klein (editors), "Kernenergie Ohne Atomwaffen" [Nuclear Energy Without Nuclear Weapons], Bonn 1982, p 253 ff.

11698/9599

CSO: 2300/533

## LOW-QUALITY GOODS, INCREASING INVENTORIES CRITICIZED

Prague RUDE PRAVO in Czech 6 Sep 86 p 1

[Article: "Words Are Not Enough, Deeds Are Decisive"]

[Text] The development of the national economy this year is characterized by a further increase in the pace at which material resources have been created. This makes possible the safeguarding of the growth of social and personal consumption in harmony with the intentions of the state plan for the current year.

An evaluation of the realization of the plan for 1986 indicates that volumetric indicators are generally being successfully met. Industrial production is growing more rapidly than called for by the plan—even if this is not in harmony with utilization—but the fulfillment of qualitative indicators is lagging, particularly with respect to the formation of national income called for by the plan. This indicates that not all economic organizations have mastered the requirement for intensification, the transition to qualitatively more demanding tasks in the 8th Five-Year Plan.

In recent days, the leadership of the Central Committee of the CPCZ and the Federal Government have dealt with the results, experiences, findings, and lessons contained in plan fulfillment developments for the 1st year of the 8th Five-Year Plan. These questions were also discussed at the meeting of first secretaries of the kraj committees of the CPCZ and the municipal committees of the CPCZ in Prague and in Bratislava.

As was stressed at the above meetings the existing balance does not provide many reasons for satisfaction, since the results should be, and must be decisively much better during the remaining part of the year in order to achieve the results stipulated by the 17th Congress of the CPCZ. What are the reasons for the above-mentioned status? Primarily the fact that not all managers in economic organizations and industries devoted the necessary attention to working out and securing the plan tasks for 1986 through substantive, organizational, and cadre measures, as well as through discussions involving the workers and failed to correctly utilize the directed creative activity of their workers.

As a result, the intentions of the state plan are being fulfilled in a highly differentiated manner, the results of management are variable. On the one hand, organizations and enterprises are attaining and exceeding the stipulated indicators through self-sacrificial efforts; on the other hand, other enterprises and organizations actually are swallowing up the contributions of the first-mentioned organizations through their lagging behind, be it with respect to increasing productivity, efficiency of production, intensification factors, reducing production consumption, etc.

This indicates that not all organizations have mastered the transition to qualitatively higher requirements inherent in the 8th Five-Year Plan. It is necessary to remind readers that as early as last year, during preparations for the 17th congress of the party, the necessity to make timely preparations for higher requirements was stressed a number of times. This was also reflected in the preparations of the plan for the current year, when the stipulation of intentions for 1986 was based not on the tasks attained during the final year of the 7th Five-Year Plan, but on tasks planned for the final year of the 7th Five-Year Plan.

Wherever tasks are not being fulfilled this year, the reason is inadequate preparation on the part of managers for higher requirements, subjective errors at individual management levels, underrating of such an important instrument for assuring the plan as is represented by science and technology and the initiative of workers and frequently even the erroneous opinion that those who fail to fulfill the plan will have their plan adjusted to a lower level subsequently. Those who speculate on getting the plans changed should be reminded of the words uttered by Comrade G. Husak at the 17th Congress of the CPCZ: "It is not possible to make concessions to industrywide and enterprise tendencies which would like to soften the plan targets, to tread along well-trodden paths, and who fear taking on responsibility." This viewpoint was unequivocally repeated by the chairmanship of the Central Committee of the CPCZ and by the government of the CSSR.

The necessity to speed up our national social economic development, the intensification of the national economy primarily through broad and effective utilization of the findings of scientific and technological development, the improvement in efficiency, and the deepening of the economic performance of our national economic processes demand a new approach with respect to realization, demand that new thinking be instituted, demand new methods and approaches. Has the thinking in the economic sphere undergone such a desirable change?

It is recognized that we are entering upon a more difficult time with higher requirements which cannot be reduced if the adopted socioeconomic program is to be accomplished; but specific activity does not reflect this. In economics, actions are decisive. The active congress atmosphere has not been reflected everywhere in specific verifiable and also regularly verified substantive measures; in not a few cases, the economic apparatus continues in its inertia from the previous period, moving along well-worn tracks, and if we wish to fulfill the tasks of today, this is unacceptable.



## VALUE OF ISSUANCE OF NEW DIRECTIVES TO IMPROVE ECONOMY QUESTIONED

Prague HOSPODARSKE NOVINY in Czech No 39, 1986 p 4

[Article by Eng Frantisek Zika, Skoda Enterprise, Plzen: "Rules Governing Technical Development—Are New Directives Necessary?"; first paragraph is HOSPODARSKE NOVINY introduction]

[Text] The search for new approaches in management is particularly discernible in technological development. In the effort to intensify and perfect planning methods, however, it is necessary to avoid imprudent decisions which tend to make management more complicated. This is particularly true in adjusting directives. Consequently, it is necessary to evaluate requirements for information thoroughly and universally. One must not lose sight of the principal goal of intensification—increasing labor productivity.

Currently we have passed beyond the creation of the 8th Five-Year Plan and we must consolidate the annual sales plans. In the feverish discussion centering upon instruments which assist intensification, particularly in the area of technical development, we have attained our first success; it was sensibly judged that if new or innovative instruments are to help it is necessary to think through all of their aspects thoroughly.

Consequently, before we begin senselessly criticizing old directives, I believe that we should carefully evaluate whether we use them correctly and whether it makes sense to expect other directives to produce miraculous effects. And then we should judge what any possible changes will cost compared to what they produce.

#### Why Repeat the Same Thing Several Times?

I will discuss the economic planning of technological development. This is accomplished with the aid of the coordination plan, whose principles have proven themselves. Changing its fundamental principles would be questionable.

On the other hand, the formal side of the coordination plan (the forms) actually functions only for tasks financed from the state budget. This is so primarily because the processors of the plan respect the formal jurisdiction of the superior organ and, secondly, most enterprises do not find it overly difficult to work up the forms for several tasks which are financed from central resources.

The situation has developed differently for tasks involving technological development, which are financed from enterprise sources, that is to say, from economic sources. The enterprises are using the method of coordination planning without any problems, but not the actual forms.

At first glance, it appears to be narrow-minded pettiness to squabble over how the printed form should look, but whoever has a closer insight into enterprise planning can have no doubt that this is a component of rational management. The prescribed forms which are at stake (more precisely, the large sheets—since the forms are of the A3 format printed on both sides) serve as an input document for automated processing of the state plan for development of science and technology. The automated system is operated by the State Commission for Scientific-Technical and Investment Development which provides no further information to anyone other than the specific component schedule of the plan. Not even this is necessary, since the information required for operational management does not contain these forms.

We understand that for tasks financed from sources other than those indigenous to the enterprise we must work up the documentation demanded by the financing authority. We can also understand that forms containing cumulative information for the organizational unit must be identical. But we cannot understand why the same forms, carefully signed by all responsible workers, must be worked out individually even for tasks financed from enterprise assets. We cannot utilize these forms for intraenterprise management and so they accumulate in endless piles which we must store for 5 years before they are recirculated as wastepaper.

Of course, this is ordered by the Uniform Methodological Directives for Ministries and Other Central Organs of the CSSR and of the Republics, required for working out proposals for the 5-year plan for the years 1986-1990, on p 130, Pt 27, Sec I, Par B/5, Letter A. These directives are accepted without hesitation by industrywide or concern organizations into their methodological directives.

There can be no objection to the requirement for vertical transmission of information; however, it is necessary to solve this problem with rational methods and with consideration. I believe that even in this area it is necessary to solve unification from below, as is customary in technology in general. How valid would a standardized electric motor be if standardization of its attachment flanges, which are necessary to attach the motor to the machine, was overlooked? I believe that this principle does not negate the fundamentals of information. Computer technology facilitates the standardization of information without requiring that forms be constantly filled in.

#### How Should the Results Be Added Up?

Another matter, which we could perhaps already close, is discussion about calculations of economic efficiency. The contemporary theoretical-scientific background available provides adequate data about how this discussion is to be understood. I believe that we have appropriate directives even for practical

solutions--directives which are the result of long-term theoretical and practical adjustment of findings regarding sources and forms of efficiency. Objectively taken, the basic procedure for computations cannot be formulated any other way.

However, we do not have any directives telling us how the results of individual innovations are to be added up so that we can provide uniform reports in the same manner as we are accustomed to doing for volumetric indicators. In other words, for technical development, we do not have the same system of indicators to which we are accustomed with respect to volumetric planning.

From childhood everyone is familiar with the case of adding apples and pears. If we plan the bulk purchase of fruit, the overall volume in tons is sufficient. However, if we desire greater production, we must know not only how many trees must be planted, but, for example, where they are to be planted. In other words, the economic effects of new technology are tied to very specific conditions.

In contrast to volumetric indicators, economic efficiency is qualitative, influenced not only by changes in volumetric indicators, but, primarily, by changes in the internal structure of individual facilities. The relationships affecting changes in the internal structure determine, in their totality, the overall development which we very schematically refer to as technological development. To capture and quantify all of these relationships (which is essential for purposes of mathematical expression) is currently not within our capabilities. Even if each enterprise had a supercomputer we would still be struggling for a long time with the mathematical model of the computation involved. Mastery of this task is not a problem of method, but a problem of information, beginning at the microlevel.

Is it then possible to manage efficiency effectively without knowing the elemental process of all of these relationships? Certainly. We do not have completely exact knowledge in many other areas of human activity and, nevertheless, we know how to proceed in order to achieve positive results. This does not mean that we are giving up on expanding our knowledge. However, in practice, we must use those instruments to which we have developmentally matured. If we make the excuse that these are imperfect instruments, this may be true but nothing gives us the right not to utilize them within the framework of their possibilities.

The invention of new directives for computing economic efficiency can, in my opinion, currently only lead to complicating further development. We consider Directive No 9/1980 of the PMIR to be the fundamental starting point for economic evaluation of specific innovations. Let us use the experiences gained in the discussion of this topic and let us expand the calculations of the economic effects in terms of relative expression regarding the effects in absolute terms. The directive does not prevent us from doing so--on the contrary, in the event of need, it encourages that both calculations be done.

The relative computation provides results referring to specific conditions, the attainment of which is the criterion of probability pertaining to the result. The absolute expression is the mere difference between the two types of status. In the first phase, we are generally not always able to judge the significance of one or another result. With respect to the relative results, we frequently fail to provide good estimates of the course of conditions (for example, the extent of sales); with respect to the absolute calculations, there are difficulties with determining their weight in the overall picture.

In order to orient ourselves between the relative and absolute effects (which can even be contradictory) we must determine the weight of the influence pertaining to quantitative changes and the weight of the influence exerted by qualitative changes. One of these will be overwhelming. We will surely be committing a minor error if, for the purposes of planning economic effects, we will continue to take the most significant effects into account rather than working only with the relative level.

#### Whence Come Positive Experiences?

We encounter difficulties regarding aggregation, because we are attempting to manipulate only one side of the process. However, overall economic results are a complex of relative and absolute effects. Because we do not know the details involved in their mutual relationships ahead of time, the results of computations and the actual situation are not comparable.

If we hue to the principle that one or another influence carries a greater weight in incorporating it into the total sum of the effects, we can statistically approach the actual condition involved in mutual relationships. Let us augment the computation by adding data which are intelligible to the remaining fellow workers, which is currently used in planning practice and we have a computation which--although it does not exceed two pages of format A4--contains everything we can add up and practically utilize. It is understandable by all and, with respect to its scope, even acceptable to managers who are allergic to voluminous documents. Even though the utilization of the computation in practice is dependent on many other factors, we have had positive experiences with this procedure.

However, I do not recommend that the calculation be expanded by a further expansion of statewide valid directives. It is necessary to formulate more detailed economic information in conjunction with the requirements of the individual production sectors and in direct connection to the other intraenterprise information systems. Naturally, a solution is possible only with the assistance of computer technology and that we cannot manage without an active dialogue involving the computer. But virtually every enterprise today already has the Model SM-4-20 computer. Therefore, it is completely realistic to make this consideration.

I do not claim that we have found the way without verifying our proposals. We persuaded the cost planners to do the verification; they introduce the variation of the well-known N3 report, that is to say, the plan of costs



involved in the computer breakdown for realization outputs, both as a plan and as a reflection of the actual situation. By comparing their results with the calculated effects we found a statistical agreement in the summary. Deviations in individual categories made it possible to investigate the causes of unanticipated developments. In this way we proved that computations are an instrument which is equal in value to other planning methods and we gained greater confidence in preliminary calculations which it is not possible to verify with the aid of report No N3 because of the great time difference involved.

If we have a more efficient computer at our disposal, we can approach the direct connection between the plan of realizational inputs and the cost plan and production plan. From this it follows that a well-conceived plan of calculations involving economic efficiency is the key for extensive rationalization in enterprise planning. For this reason--and I stress once more--Directive No 9/1980 of the FMTIR is an absolutely suitable basis, acceptable to all departments. It is desirable that this foundation prove itself in terms of long-term validity and its formal aspects.

From the standpoint of managing the national efficiency of technical development, there still remains the question of supraenterprise aggregation. I believe that it is possible to use the above-described procedure to aggregate effects at the enterprise level as well as at a higher management level in much the same manner as it is possible to aggregate the other economic indicators--by using the method of net and gross turnover.

However, the supraenterprise organs cannot utilize all detailed information available to the microsphere. It is, therefore, necessary to concentrate on information whose utilization is possible and whose use at the higher level will not result in changes of the quality of the information involved.

5911/12851  
CSO: 2400/60



## BRIEFS

COOPERATION AGREEMENT SIGNED WITH IRAQ--Prague, 30 Nov (INA)--Iraq and the CSSR signed an economic, technical, information, and trade cooperation agreement here today. Subhi Yasin, minister of industry and minerals and head of the Iraqi side to the Iraqi-CSSR Joint Committee, signed the agreement for Iraq, while Ladislav Luhovy, minister of general engineering and head of the CSSR side to the joint committee signed it for his country. Taha Yasin Ramadan, RCC member and first deputy prime minister, and CSSR Premier Lubomir Strougal attended the signing ceremony. In an address following the signing of the agreement, Taha Yasin Ramadan said that this agreement is a very advanced step along the march toward cooperation between Iraq and the CSSR, and reflects the nature of these relations and their development, and the seriousness of the officials in translating the directives and concern of Presidents Saddam Husayn and Gustav Husak. Ramadan added that this agreement has introduced new bases for future cooperation, will contribute to the enhancement of current relations, and will have a positive impact on the two countries' relations in the future. For his part, Strougal expressed satisfaction with the development of bilateral relations, emphasized that the CSSR will pursue expanding its cooperation with friendly Iraq in the future, and said that the CSSR companies are ready to implement new Iraqi development projects. He said that the signing of this agreement epitomizes the serious desire by the two countries leaderships and their eagerness to promote bilateral cooperation. He also emphasized the importance of Iraqi-CSSR relations to the two countries and to mankind. The signing ceremony was also attended by the members of the Iraqi and CSSR delegations. [Text] [Baghdad INA in Arabic 1645 GMT 30 Nov 86 JN] /8918

DUKOVANY NUCLEAR POWER PLANT--Dukovany (CTK)--The first turbogenerator of the third block in the Dukovany nuclear power plant in the Trebic District was linked with the CSSR's electricity network on 14 November. [Summary] [Prague RUDE PRAVO in Czech 15 Nov 86 p 1 AU] /8918

VVER-1000 REACTOR FOR TEMELIN--The first block with a VVER-1000 nuclear reactor in the CSSR will be installed in the Temelin nuclear power plant and is to go into test operation by the end of 1992 at the latest. [Summary] [Prague RUDE PRAVO in Czech 6 Nov 86 p 2 AU] /8918

WINTER FUEL RESERVES--The brown coal reserves for this winter are 1.2 million tons lower than last winter. Due to delayed or incomplete deliveries of spare parts for repairs, general overhauls of large power blocks are lagging behind the planned deadlines and some of them will have to be completed next

year. By 30 October the Novaky electric power station had only 36,000 tons of brown coal in its coal dumps--that is a 3-day reserve--instead of the planned 140,000 tons. The difficulties in deliveries to the power plant are due to the difficult, complicated conditions of miners in the coal and lignite mines enterprises and to the resulting extraction shortfalls. Current reserves of graded coal for the domestic market are sufficient for about 19 days. The structure of coal deliveries is worse than last year, containing lots of coal dust. The gas network is prepared for a 55-percent increase in winter consumption. [Summary] [Bratislava PRAVDA in Slovak 14 Nov 86 p 1 AU] /8918

MAGNESITE DEPOSITS--The deposits of magnesite in Slovakia are estimated at about 800 million metric tons. [Summary] [Bratislava PRAVDA in Slovak 12 Nov 86 p 5 AU] /8918

SUGAR BEET HARVEST--Sugar beet in the Czech lands has been gathered from 97.4 percent of the area planted, in Slovakia from 92.6 percent. [Summary] [Prague RUDE PRAVO in Czech 12 Nov 86 p 1 AU] /8918

SUGAR STORAGE SPACE--The CSSR is at present lacking storage capacity for 400,000 metric tons of sugar. [Summary] [Prague RUDE PRAVO in Czech 7 Nov 86 p 4 AU] /8918

PRK TRADE PROTOCOL--A protocol on the exchange of goods between the PRK and CSSR for 1987 was signed in Phnom Penh yesterday. On the basis of this document Cambodia will export to Czechoslovakia rubber, tropical timber and soya in exchange for Czechoslovak textile, chemical products, raw materials for the manufacture of drugs, tractors and other products. [Text] [Prague Domestic Service in Czech 1500 GMT 25 Nov 86 ID] /8918

CSO: 2400/91

## NUCLEAR PLANT CONSTRUCTION PROCEEDS 'RAPIDLY'

West Berlin IWE TAGESDIENST in German No 195, 16 Dec 86 pp 1-2

[Article datelined IWE Berlin 16 Dec 86: "Stendal Nuclear Plant To Go On Line On Time"]

[Text] In spite of the shock triggered even in the GDR by the Chernobyl reactor accident, construction of the Stendal nuclear power plant is to be pushed forward rapidly. This was confirmed at the most recent meeting of the Magdeburg bezirk parliament. Wolfgang Gress, state secretary with the GDR State Planning Commission, declared to the bezirk parliament that the Stendal nuclear plant was of "first rank importance" in supplying electric power to the GDR after 1990. In so doing, he alluded to the GDR's strained energy situation, which necessitates the expansion of nuclear power plant capacity.

According to the current and unaltered GDR plans, the first Soviet 1000 MW reactor is to be put into operation at the Stendal nuclear plant in 1991. The first phase of the expansion is scheduled to be completed with two additional reactor blocks in 1994-1995. After 1995, the second expansion phase, two additional blocks, is to be undertaken. The Stendal reactors are the first in the GDR to have special sheathing for explosion protection. There are between 4,000 and 5,000 laborers and specialists now working on the construction site.

Currently the expansion of the nuclear plant Nord near Greifswald is being carried out at top speed. The four Soviet reactor blocks with a capacity of 440 MW each are to be supplemented with four additional ones by 1990. According to official figures, the GDR intends to raise the proportion of nuclear power in total electric power output from 11 percent in 1985 to 15 percent by 1990.

In the GDR, too, activities opposing nuclear plant construction have increased in recent months. For example, more than 1,000 people signed an open letter to the People's Chamber urging a plebiscite on the future use of nuclear power. Concerns about nuclear plant construction have also been voiced in church circles.

/13046

CSO: 2300/133

## PRIVATE ENTERPRISE RATE OF DECLINE SLOWS

West Berlin IWE TAGESDIENST in German No 183, 25 Nov 86 pp 1-2

[Article datelined IWE Berlin 25 November 1986: "The Number of Private Craft and Trade Enterprises in the GDR Also Declined in 1985"]

[Text] Although the GDR media frequently reports on the licensing of individuals to engage in crafts and trades and on the support given them, the number of private enterprises again declined in 1985. To be sure, the diminution, which has persisted for decades, has recently experienced a significant slowdown. Between 1984 and 1985, the number of private craft and trade enterprises dropped by 481 to 80,588. In 1984, there were 81,609 businesses, and in 1983, there were 82,136. In 1950, on the other hand, there were over 300,000.

The reason for the as yet unhalted contraction: more private businesses are shutting down due to the proprietors' ages than there are licenses being issued and new businesses being started. Of course, private enterprise has been receiving encouragement in the GDR since 1976, but the measures taken have not sufficed to increase the number of private businesses. For that reason, problems of providing services persist in many places. The situation is critical, as the East Berlin Ministry for District Managed Industry and Foodstuffs Industry reported, especially with respect to bankers, barbers, butchers, bicycle repairmen and shoemakers. Shortages occur in the country and in small cities, in particular.

In spite of the support measures approved--favorable credit terms, for example--many independent master craftsmen are dissatisfied with their work conditions. The output of private trades has continued to increase in recent years, of course (to nearly 11 billion marks in 1984), yet entrepreneurs are complaining about the "supply of materiel and technology." Raw materials and supplies are scarce, and are not always available in sufficient quantity; in addition, there is a lack of modern machines and tools. Therefore, no small number of craftsmen is submitting petitions to local state organs or directly to the Ministry for District Managed Industry and Foodstuffs Industry, because they hope for greater success by doing that. But due to "limited possibilities," even the ministry can barely aid the private tradesmen.

There is progress relative to those employed in private trades. Their number has increased in recent years. While private trade and craft enterprises employed 255,326 (Exclusive of apprentices) in 1983, there were 258,328 so employed in 1985. The number of apprentices has also continued to increase.

/9274

## RENOVATION, NEW CONSTRUCTION EXPANDS CLASSROOM FACILITIES

East Berlin PRESSE-INFORMATIONEN in German No 112, 25 Sep 86 p 6

[Article: "Modern Buildings for National Education"]

[Text] 13,350 classrooms, 768 gymnasiums, kindergarten facilities for 136,926 children and boarding school facilities for 5,379 were created in the GDR from 1981 to 1985 alone. From January to the beginning of the 1986-87 school year, 1,489 classrooms, 107 gymnasiums, kindergarten facilities for 13,721 and boarding school facilities for 692 were built or renovated.

On 1 September 1986, over 2 million boys and girls, including 233,300 who had just reached school age, began the new school year in the more than 5,860 general education schools. The improvement of socialist general education is aimed at meeting the needs of the mature socialist society. The content and levels are organized so as to guarantee a solid, high-quality basic education that will provide a basis for further learning, with a view toward the development of the economy, mastery of the scientific-technical revolution, culture, and all other areas of society, and the related needs of developing well-rounded individuals and providing a communist education for schoolchildren.

Physical conditions in GDR schools have been improving according to schedule over the past few years. Since 1971 the number of classrooms has increased from 89,594 to 120,000. A total of 10,661 classrooms and boarding school facilities for 5,595 students are to be built or renovated between 1986 and 1990, according to the 5-Year Plan Directive of the 11th SED Party Congress.

The VEB Residential Construction Combine, Erfurt, has production responsibility for new school construction. This combine also designed the 80-series schools, which combine the advantages of the 70-series residential and office buildings with scientific information from teachers and architects. The VEB Residential Construction Combine, Dresden, developed a variant of the new series. The combined school, for example, is characterized by its separate functional areas: An entrance area joins the two parts of the building, designed for grades 1 to 3 and 4 to 10, respectively. The three-story section for the lower grades combines two classrooms with a modern day nursery, a canteen and restrooms so that very young children can learn undisturbed and can occupy themselves after instruction. This eases the transition from kindergarten into grade school.



Above the entrance is a roughly 100-square-meter multipurpose area. Specialized classrooms for physics, chemistry, biology, art and music, foreign languages, mathematics, German and other subjects are housed in the four-story main building. Every classroom--whether for younger or older children--is at least 62 square meters in area.

The fully finished basement contains eating areas for the students in addition to the usual utility equipment. It could also accommodate a youth club independent of the school.

In 1983 renovation accounted for a total of 2.3 percent of school construction; by 1985 it had jumped to 16.7 percent. Over the next few years, through 1990, it will make up an average of 25 percent. These figures also provide some idea of the new features of the residential construction program.

442 classrooms are to be renovated in 1986. The goal is an appreciable improvement of spatial, sanitary and technical conditions in the older schools. It makes sense economically to preserve and continue to use the existing physical plants; many of these schools are part of historic urban areas. At the same time, there is a need for solutions that will meet the higher requirements for education of the younger generation for a long time to come.

Consequently, where existing facilities are being renovated an effort is being made to create as self-contained an area as possible, with classrooms and nursery areas, for children in the lower grades, and to match the quality of the new schools' facilities for specialized instruction in grades 5 to 10. These facilities include a modern electrical system, eating areas that provide a strong cultural environment, and open space for sports and recreation. Increasingly it has been found in the renovation projects that a convenient solution is to build an addition--in many cases consisting of parts of the 80-series school building.

The GDR currently has about 4,000 school gymnasiums, more than 2,100 of them built since the 8th SED Party Congress. Another 740 are to be created through new construction and renovation by 1990. Athletic facilities at all schools are being systematically improved in this manner.

All children whose parents so desire can attend one of the GDR's 13,150 kindergartens from age 2 until they are ready to start school. GDR kindergartens had a capacity of 605,379 in 1970; last year the figure was 866,252. An additional capacity of 20,520 is to be created through construction or renovation in 1986, and from 1986 to 1990 facilities for more than 105,015 kindergartners will be built or renovated.

Roughly one in every 10 kindergartens in the GDR is a combined creche and kindergarten. In the Berlin-Hohenschoenhausen construction project 14 of these modern facilities have been set up since the cornerstone was laid just two years ago.

Numerous kindergarten facilities have been created in many towns and rural areas through scheduled new construction, by renovation, or as a result of various local initiatives. In conjunction with urban construction and the renovations

and modernization being carried out in small towns and rural areas, more smaller kindergartens have been set up—facilities designed to suit existing capabilities and needs, able to accommodate 18, 36, 54 and 72 children. Which option is actually selected depends on local conditions, e.g., the expected number of preschool-age children.

Builders have had good experience with local solutions in the Halle and Potsdam districts. In Wolfen and Dessau, for example, several kindergartens, each able to accommodate 54 children, were built on the ground floors of newly constructed housing, using elements of the 70-series residential building. The corresponding reutilization project can also be applied elsewhere. In Cobbelsdorf, also in the Halle district, the following method was used: The county building contractors, working with the construction resources of agricultural enterprises, put an addition on an existing facility, enabling it to accommodate 36 more children. A similar method was chosen in Caputh, Potsdam district. In Eichwalde, on the other hand, facilities for 36 additional kindergartners were created on the basis of a reutilization project.

CSO: 2300/73

13114

## BRIEFS

**AUTOMATED EXCAVATOR IN TRIAL RUN—Magdeburg—**Last weekend a new bucket-chain pivoting excavator from the Georgi Dimitroff Plant in Magdeburg began a trial run in overburden removal at the Goitsche brown coal strip mine. The 2300-ton colossus, with microelectronic program control, is the largest and highest-performance type of track-mounted bucket-chain pivoting excavator, with a maximum hauling capacity of 5000 cubic meters per hour. Workers at the Dimitroff Plant were able to shorten the assembly time for this heavy equipment to 11 months, down from the 14 months required for the first excavator in the same series, ERS 1120. This was made possible by, among other things, the use of a high-performance assembly crane. The personnel at the Takraf Plant, who are delivering 15 pieces of strip-mining machinery this year, were able to take three more days off their net production time through the end of September. More than 80 percent of the spare parts scheduled for 1986 have been manufactured. [Excerpt] [East Berlin BAUERN-ECHO in German 13 Oct 86 p 1] 13114

**THERMAL PLEXIGLASS MADE REUSABLE—Perleberg—**For the first time in the GDR, the Reichsbahnausbesserungswerk (RAW) [National Railroad Improvement Plant] in Wittenberge has succeeded in processing thermal composite disks tarnished by moisture to make them re-usable. 2500 damaged disks from railway passenger cars are being replaced every year—with brand-new disks, until now. Glaziers, mechanics and engineers have discovered a process by which they can dry the inner surfaces of the disks and reactivate the saturated moisture-absorbing silica gel in the disk gaps. This technology, on which a patent application has been filed, also has considerable economic significance for the construction industry and other areas of the economy. At the RAW Wittenberge alone, it has resulted in a saving on materials amounting to DM200,000 a year. The team that developed this process also designed a special drying installation and built it in the rationalization area of the plant. [Text] [Schwerin SCHWERINER VOLKSZEITUNG in German 14 Oct 86 p 1] 13114

**SOFTWARE FOR TEXTILE INDUSTRY—**At the Autumn Leipzig Fair this year, 2800 GDR combines and factories displayed the results of the comprehensive application of key technologies such as microelectronics, CAD/CAM, robotics and automatic control to flexible automation of the preparation, execution and control aspects of production. The focus on the main theme of the fair, "High-Productivity, Time-Saving, Materials-Saving Equipment and Technologies for Machine

Construction," was most visible in the exhibit areas for textile machinery, chemical systems, plastics machinery and polygraphic machinery. The GDR's textile machine construction industry presented many new developments and improvements. For example, the VEB combine TEXTIMA has expanded its comprehensive product line for the chemical-fiber, textile and clothing industry to include 260 basic machines with over 1000 variants. The TEXTIMA plant is gaining a solid reputation through the practical use and modification of modern microelectronics, power electronics and electrooptics; the use of microcomputer controls designed to meet the user's needs in terms of process data collection and computer connection; CAD/CAM systems; and the low-cost availability of electronic components, subassemblies, special features and accessories and their related automation systems. More than 50 percent of the microelectronic subassemblies and control systems and almost all of the software are being developed and manufactured with TEXTIMA's own resources. Energy- and materials-saving equipment, equipment for noise reduction and the reduction of heavy physical labor, and systems designed to increase quality and flexibility for the user were also of interest to East German and foreign customers. TEXTIMA's standard product line has for many years included modern automated flat knitting machines with electronics for pattern selection and control. The COMNIT Jacquard automated flat knitting machine, which was exhibited for the first time by the VEB Industrial Machinery Plant in Karl-Marx Stadt, can process all the standard types of wool or mixed-fiber fabrics and offers a wide choice of patterns. This system was awarded the prestigious gold medal for the fair, as was the MALIMO Model 14016 c industrial sewing machine, also developed by the VEB Textima research department and exhibited at Leipzig. Ultramodern, high-productivity machinery and a broad range of products for export, including accessories, intangibles and licenses, demonstrated TEXTIMA's productivity and the high degree of technical innovation of its textile machinery. [Text] [East Berlin STANDARDISIERUNG UND QUALITAET in German Vol 32 no 7, 1986 p 199] 13114

CSO: 2300/73

## OFFICIAL VIEWS AGRICULTURAL TRADE WITH USSR

AU101837 Warsaw TRYBUNA LUDU in Polish 25 Nov 86 p p 1, 9

[Ewa Fiala report on press conference given by Kazimierz Grzesiak, vice minister in the Ministry of Agriculture, Forestry, and Food Economy, in Warsaw on 24 November: "Adding to Market Supply and Selling Surpluses"]

[Text] We have something to sell and there is a lot that we would like to buy. What? For example, tea, tinned fish, champagne and wines--if only for New Year's Eve. And what can we sell? Fruit, vegetables, flowers. Agricultural producers in Poland and the Soviet Union are discussing contacts and contracts concerning these and other products. One thing is sure, the existing contacts and contracts have exhausted neither possibilities nor needs.

What will tomorrow be like, both the immediate and the long-term future? Extensive and interesting information on this subject was provided to journalists at a press conference given by Vice Minister Kazimierz Grzesiak at the Ministry of Agriculture, Forestry, and Food Economy on Monday, 24 November.

The self-sufficiency in food that is the subject of slogans can be attained more quickly by engaging in cooperation, providing assistance, buying and selling, and exchanging information about new methods and experience. This is the starting-point for the extensive work being conducted by planning organs, ministries and organizations, and scientific research units in both countries. This work has already resulted in the signing of documents that set out in detail the areas in which cooperation will be undertaken during the current 5-year period and even cover cooperation areas through the year 2000.

By 1990, trade in foodstuffs and agricultural products will be 40 percent up on the period 1981-85. Capturing the Soviet market for our vegetables and fruit does, to put it bluntly, provide an opportunity to maintain and develop this area of production. This will not be possible other than by way of accomplishing the projected three and a half fold increase, over the 15-year period, in supplies of fresh fruit and vegetables to the Soviet Union, to branches of the "Kwiaty" and "Morozko" chains.



Everyone will look out for goods originating from Polish or Soviet producers. But this is not the only path leading to an improvement in the market situation. There is also one that leads through land. The range of items offered by the USSR includes production inputs such as fuels; potash fertilizers (meeting 80 percent of our needs), insecticides; wood processing products; sowable material, (high gluten content wheat, maize, sunflower); tractors; agricultural and land reclamation machinery; and machinery for use in the processing of timber.

We will provide sowable materials, livestock materials, and machinery and equipment for livestock and feed production.

The exchange of plant cultivation technology will be continued and expanded. In the USSR, a start to cooperation was made by agricultural enterprises that employed the Polish method of feed beet and winter rape cultivation and in Poland, by state farms in which Soviet technology was employed in the cultivation of sugar beet and maize.

Polish-Soviet cooperation will also cover joint investment and will "engender" the investment needed to meet contractual obligations. The joint construction of a potato processing plant at Wokrzeńce in Biala Podlaska Voivodship—it has already acquired fame on account of its size and the needs that it will satisfy—and the construction of a potato plant in Byelorussia have provided a start. It will eliminate the potato glut which has been a problem for several years now and will provide products for the Polish and Soviet markets.

The agreement signed on 15 October has increased the number of joint enterprises that will be established by the addition of a plant for the processing of fruit and vegetables; a specialized enterprise for the transportation of fresh and processed produce; and a plant for the production of pectin (in Poland, and a starch treatment plant and a fats processing plant in the Soviet Union). The state farm enterprises at Krynki, Goldap, and Hruszowice will be supplied with Soviet equipment.

Wide-ranging scientific and technological cooperation has been planned on the basis of the agreements that have been signed. Scholars will work together on 22 subjects. There will be a significant expansion of direct scientific and technological cooperation (12 institutes will be involved) and of production cooperation, which will affect, inter alia, a further 22 state farms and agricultural producer cooperatives. Practical training schemes will be continued.

Will we find this profitable? The question may be asked. The cooperation is based on partnership and reciprocity. It helps to satisfy needs and removes surpluses. Farmers in the voivodships of Bialystok, Lomza, Siedlce, and Biala Podlaska already know a great deal about problems connected with the sale of potatoes. Problems on a similar scale (for they already exist on a smaller scale) would shortly affect fruit growers and market gardeners in Poland's central and other regions.

The time when we had to jealously guard every sack of products for export is behind us. Ahead of us is a time of worrying about whether we can make sales, find buyers, and satisfy buyers with the products we can offer. This will be difficult. The Soviet market is as demanding as it is receptive. Joint undertakings and investment projects can be of help in this area.

/9738

CSO: 2600/244

## BAKA ADDRESSES SEJM ON FINANCIAL, CREDIT POLICY

AU281206 Warsaw TRYBUNA LUDU in Polish 25 Nov 86 p 5

[Report on speech by Wladyslaw Baka, president of the Polish National Bank, at the 24 November Sejm session in Warsaw]

[Excerpts] Presenting the draft credit plan, a report on the population's incomes and expenditures, and the principles of financial and credit policy, Wladyslaw Baka stressed that these documents are closely related to the Central Annual Plan and draft budget. In accordance with the instructions of the 10th congress, the Polish National Bank is preparing a comprehensive program of strengthening the zloty. Work on it is at an advanced stage.

The primary task of 1987 financial and credit policy will be to permit and support the achievement of strategic socioeconomic objectives which include: the restoration of general economic equilibrium, a faster restructuring of the economy, and more efficient economic management.

Facts show that we still have not mastered the art of planning as far as the population's incomes and expenditures are concerned. Neither have we achieved an effective market equilibrium policy. This is a permanent weakness which has become even weaker in recent years. W. Baka gave figures to illustrate that the actual growth in incomes and expenditures in 1986 is considerably higher than expected. Incomes will rise by 19.6 percent this year, as opposed to the 12.4 percent that was planned. On the other hand, expenditures will rise by 22.1 percent, as opposed to the expected 16.8 percent. As a result, the extraordinary price rises planned for this year have not been carried through, in order to preserve financial-market equilibrium.

Therefore a greater effort has been made to match next year's financial forecasts to reality. People's incomes will be 20 percent higher than this year, wages 13.7 percent higher, and social benefits 30 percent higher. All in all, the population's spending fund on goods and services in 1987 will total 77.903 trillion, which is 23.8 percent more than this year. The supply of goods and services should amount to 77.685 trillion, 20 percent more than this year. Therefore, the surplus of money to spend over the value of supplies will be about 7220 billion, similar to this year's surplus.

Listing the chief paths of credits policy next year, W. Baka said that the most important one is to render energetic support to those economic units that are trying to boost their exports. Credit policy will also encourage scientific-technological progress and greater agricultural output.

The bank's duty is to encourage the expansion of efficient economic units. We will help those enterprises that make their own efforts to overcome difficulties and improve their management. Credit policy should take into account what percentage of enterprise profits is invested and what percentage consumed. The possibility of genuine credits negotiations between enterprises and the bank's branches is being created.

We realize, W. Baka said, that we cannot avoid clashes and controversies. These could be caused by the decrease in the amount of available credits next year. This means that enterprises will have to improve management over their resources and spend more of their profits on them.

The principle whereby those enterprises that have lost their credit rating will only be able to receive credits according to the procedure foreseen in the law on healing the state economy and state enterprises will be applied with greater firmness. This year it has been decided to close down 14 state enterprises and 10 cooperatives. Although this is not enough to satisfy the existing situation, a beginning has been made.

Finally, W. Baka discussed a Banking Council report on the draft 1987 balance of payments presented by the finance minister. In the council's opinion, this draft takes a realistic look at the country's very difficult payments situation. The council believes that achieving the exports level foreseen in this draft require strong institutional support.

/9738

CSO: 2600/244

## FOREIGN TRADE DEPUTY MINISTER ON BANKING CHANGES

AU152229 Warsaw TRYBUNA LUDU in Polish 11 Dec 86 p 7

[Statement made to PAP by Janusz Kaczurba, deputy minister of foreign trade: "New Foreign Trade Solutions Next Year"--date and place not given; first paragraph is paper's introduction]

[Text] Last Monday the Government Presidium adopted a "resolution on the creation of special conditions for increasing the volume of foreign trade." The resolution attests to the transition to the second stage of the economic reform. A PAP journalist asked Janusz Kaczurba, deputy minister of foreign trade, about the actual provisions of the resolution. This is the statement he made:

The principles of conducting an active exchange policy has been affirmed. It is a matter of raising profits from exports next year, as has been called for by economists and enterprises. This is connected with the decisions to introduce the universal application of so-called transactional prices for determining price levels between domestic suppliers (producer) of exported items and national recipients of such goods (central foreign trade bodies). These prices are designated in zlotys and are arrived at by multiplying the hard currency price of a product obtainable on a foreign market by the prevailing exchange rate. The departure from the policy of transactional prices only in certain cases will make it possible to use the exchange rate as a power instrument for influencing the behavior of exporters and importers. The principle of applying transactional prices will also effect transactions conducted in convertible currencies.

The resolution also discusses the provision of guarantees and priority status in the supply of materials for export production and export-oriented investment. It should also be added that, in addition, the Central Annual Plan for 1987 provides for additional revenue tax concessions for exports and tax concessions for supernumerary pay awards.

The Government Presidium also adopted a resolution on the system of foreign currency account withdrawals. The aim of the resolution is to make it once again possible to utilize foreign currency resources held in such accounts with a minimum of difficulty. The character of these accounts will change. Until now banks would grant an enterprise the right to purchase foreign



currency (the bank would provide a certificate; hence the name certified accounts). The conversion of this right into "real money" occurred once a banking procedure had been completed. From 1 January 1987, these accounts will take the form of asset accounts [rachunek majatkowy]. This means that as soon as an exporter sends goods abroad, he will be able to purchase the foreign currency he is entitled to from this transaction at the prevailing exchange rate. This foreign currency will become his property and he will be able to dispose of it freely as an integral part of his assets. Certified accounts will be converted into asset accounts during the first quarter of next year. Of course, zlotys will be needed for the purchase of foreign currency. Thus, the introduction of asset accounts will increase the financial discipline of enterprises. Some enterprises do not have enough resources to purchase foreign currency and they will, therefore, have to apply to banks for credits. The guardianship that banks exercise will be much tighter as a result.

The principle of individual rates of withdrawal will be maintained. The level of all rates that have been in force until now will be reduced one fifth. One of the reasons behind this move is to make it once again possible to make current payments from accounts.

This is not a measure that will be welcomed by enterprises but those who made this decision proceeded from the assumption that lower but honored rates are better than the current state of uncertainty surrounding the likelihood that an enterprise will be able to benefit from the foreign currency to which it is entitled.

As for resources that have been recorded on withdrawal accounts and have not been used so far, they will be issued in the form of certificates that every account holder will receive. It will be possible to redeem these certificates over the next few years, and the foreign currency obtained with them will be treated in the same way as current payments into foreign currency asset accounts.

The opportunity for enterprises holding such accounts to transfer the resources accumulated in foreign currency accounts to each other must be considered one of the most important changes in the system. Under the bank's supervision, these enterprises will be able to buy and sell foreign currency at a rate dictated by supply and demand relations.

Note has also been taken of the views of enterprises about the appropriateness of permitting the use of resources accumulated in foreign currency accounts for the purchase of components that are essential for the production of finished goods and that have hitherto been exclusively the subject of direct trade. It is expected that this will prevent the import from abroad of Polish components and subassembly units for the purpose of fitting them to an item of machinery that is sold abroad. The sides engaged in these transactions will be central foreign trade bodies and producers. These transactions will take place when they are particularly warranted and, in view of this, every such transaction will require the consent of the minister of foreign trade. The total value of such transactions will be strictly limited.

## PLANNING SCHOOL ANALYSIS QUESTIONS FIVE-YEAR PLAN PROSPECTS

Warsaw ZARZADZANIE in Polish No 9, Sep 86 pp 5-6, 8

[Report of analysis by Marek Garbicz and Tomasz Kuszewski, Central School of Planning and Statistics, Warsaw: "Difficult End to the 1980s"; first four paragraphs are ZARZADZANIE introduction]

[Text] It is no longer a novelty to create mathematical simulations and test them with computers. This work has proven its usefulness. The difficulties facing our economy and the tremendous significance of the current 5-year plan for overcoming the crisis have persuaded the scholars at the Central School of Planning and Statistics in Warsaw to undertake a prognosis of the practicability of the proposed variants of the National Socio-Economic Plan for 1985-90.

A group of scholars from the Central School of Planning and Statistics composed of Dr Marek Garbicz, Dr Tomasz Kuszewski, Mgr Krysztof Mazur, Wojciech Mislag, and Dr Jerzy Pawilno-Pacewicz developed a prognostic model of the national economy (abbreviated SAPO) and performed a series of computer calculations. The analysis leads to some conclusions of the practicability of the plan. The second of the three proposed variants, the most balanced version, was used for the calculations and comparisons.

The comparisons and analyses paint a rather desultory picture, but we believe they are of interest to the readers of ZARZADZANIE. The information is first hand, but both authors were members of the group that conducted the research.

Once more we must recall that whether greater economic progress in 1987-90 will be more realistic than in 1982-86 depends on how systematic the economic reform is. In 1982-86 the reform had not yet produced intense implementation of the new economic system, which was to make efficiency in the enterprises necessary. The authors do not directly reflect on this question in their article. If the reform regresses or stagnates in its present phase, then perhaps a vision of a difficult end to the 1980's could become an unavoidable catastrophe. We, however, are optimists and believe that common sense will prevail in this difficult situation.

The documents of the Planning Commission of the Council of Ministers indicate that the circumstances in which the economy will develop in 1986-90 will be

unfavorable, primarily because of the meager rate of growth in the supply of basic raw materials, fuels, and energy from both domestic and foreign sources. Successful implementation of the National Socio-Economic Plan depends on reducing the consumption of materials in production. At present it is difficult to determine the eventual effects of the savings programs. Adopting the pessimistic view that the mentioned program will not produce the anticipated results presents us with a sharper image of the hazards facing the current 5-year plan and their accompanying economic dilemmas.

Given this background, it is worth considering how effective implementation of programs to reduce the consumption of materials in production can ease our problems. For our starting point, we selected the premises of the National Socio-Economic Plan for 1986-90. In this simulated analysis of the evolution of future economic proportions, we adopted the figures of the Planning Commissions' documents for the particular branches' rate of growth of global production and constructed a number of scenarios for the development of the economic situation. We discuss two of them here.

The investment-export scenario (I-E), which proved to be the most favorable for achieving the main goals of the 5-yr plan, anticipates that relatively deep structural changes will be made in the final production of some branches. The portion of production in the electro-machine tools branch for the market will be limited, and production in this branch for investment and export will grow. Further, exports in the chemical and food industries will increase at the cost of consumption.

As yet it is difficult to determine how realistic the mentioned structural changes will be, especially since previous experience has shown that the structural cofactors of the allocation of final production are quite stable. Thus, for comparison we have also used the basic scenario (B), which anticipates maintaining the existing allocation structure to the end of the next 5-year plan. The computer calculations for the second variant of the National Socio-Economic Plan clearly show characteristic differences between the economic proportions assumed by the Planning Commission and those predicated by the prognostic model (SAPO) developed by the groups of scholars from the Central School of Planning and Statistics.

Table. Comparison of the Average Annual Rate of Growth of the National Income and its Components for the Second Variant of the National Socio-Economic Plan and the Respective Calculations of the Prognostic Model (SAPO) (in percentages)

Item	Second Variant of the Plan	SAPO Calculations	
		Scenario B	Scenario I-E
National Income Produced	3.5	3.2	3.2
National Income Distributed	3.2	3.4	2.9
Total Consumption	2.5	2.8	1.9
Accumulation	5.9	5.1	5.8

In particular, the lower than planned rate of growth of the national income produced deserves attention. Ostensibly, there is no significant difference (0.3 percent less in SAPO), but if we consider the fact that the calculated rate of growth of the national income produced (3.2 percent) is lower than the rate of growth for total global production (3.5 percent), we can conclude that the 5-year plan assumes a structural change in production, a shift toward branches that consume more materials, raw materials, and energy. This is not a salutary trend. There are also indications that none of the scenarios ensures the desired structural distribution of the national income.

Scenario I-E produces a relatively small rate of growth of consumption, but under Scenario B, which is satisfactory from this point of view, investment and accumulation will grow about 1 percent less annually than in the plan. Nevertheless, Scenario I-E seems more promising because of the relationships between the national income produced and distributed. It is worth recalling, however, that the development of the economy according to this scenario implies a deep change in the actual structure of production, a formidable achievement within one 5-year period. Thus, Scenario B is a profound warning. Its implementations would equalize the national income available for distribution and the national income produced by 1989.

#### Too Much At Once

The analysis of these scenarios discloses the plan's basic dilemma: the difficulty of simultaneously achieving many goals. In particular, how possible is it to accelerate investment, to produce a sufficiently large export surplus, and yet to avoid stagnation in consumption? Given the discussed scenarios, this task appears to be impossible.

The structural characteristics of economic growth in 1986-90 are of primary importance for the implementation of the National Socio-Economic Plan. Given the structure of global production assumed in the National Socio-Economic Plan, maintenance of the present per unit consumption of raw materials and materials to the end of the next 5-year period will increase the production disequilibrium. Inasmuch as final production in some branches will grow greatly, in others it will fall rapidly. Realistically this must severely aggravate competition among buyers of goods for production and final consumers. The fuels and energy, metallurgical, and mineral industries are already facing serious problems. In these branches we note a progressive decline in final production (in metallurgy even a very significant one) and a simultaneous increase of these industries' global production. This situation derives from the great demand for the products of these industries caused by the planned rapid growth of the electro-machine and chemical industries, which are intense consumers of steel and energy, and the construction industry. The final consumers (exporters, the public) must count on an equivalent decline in supply. The stimulated calculators paint a picture of growing economic disproportions. The continuation of such drastic discrepancies between the rate of growth of global and final production in particular branches is impossible over the long term. The position expressed in the documents of the



Planning Commission confirms that reducing the material consumption of production is the essential prerequisite for completing the goals in the 5-year plan. Otherwise, the center will be forced to make essential, detrimental alterations in the distribution of the national income or to revise the assumed structure and rate of growth of global production. It appears impossible to eliminate the existing deficits of some products by simply increasing the rate of growth of global production in the appropriate branches. Regardless of the other limitations, expansion in critical industries--fuels and energy and metallurgy--will encounter an important barrier.

#### Preferences for Growth or Exports

The decisive factor influencing the appraisal of the situation in foreign trade during the next 5-year plan is whether and how much shifts in the geographical structure of turnover in favor of the second payments area can be made. The uncertainty here is great. The maintenance of the present structure warrants us to expect equalization of the turnover with the first payments area by 1990 and even a sizeable export surplus. Simultaneously, the situation in trade with the remaining countries will steadily deteriorate: the rate of growth of exports be near decline and the surplus in turnover with this area could decrease by as much as \$0.6 billion in 1990. For comparison: the Central Annual Plan for 1986 calls for a surplus of \$1.5-\$1.6 billion. It is also significant that achieving a greater rate of growth of production will improve the balance with the first payments area but worsen it with the second area. The key to understanding this problem lies in the analysis of exports, and thus the structure of final production, which is increasingly deformed as we increase the rate of economic expansion.

In exports to the first payment area, the electro-machine industry is of decisive significance. It constitutes at present about 60 percent of the total exports to this area. Simultaneously, final production in this branch in the variants analyzed will increase even more rapidly than global production. Thanks to this rapid increase in exports to the CEMA countries, equalization of the turnover with these countries in 1986-90 should be relatively easy. The situation in the second payments area is a mirror image. Here also exports of products of the electro-machine industry are significant (slightly less than 25 percent) but more than 35 percent are raw materials or partially processed products from the fuels and energy and metallurgy industries. The continuation of these exports is the essential prerequisite for preventing a worsening of the balance with the second payments area. In both branches, however, we should count on a decline in final production, and the greater the expansion, the greater the decline will be.

The simulated calculations show that the shortage of raw materials for export cannot be compensated for with a respective increase of exports of other goods. The situation in the electro-machine industry will be decisive. On the one hand, the portion of production for export to the capitalist countries in this branch is relatively low, on the other, this industry consumes large quantities of raw materials that potentially could be exported to the second payments area. As a result acceleration of the expansion of the



electro-machine industry (while retaining its present objective structure) limits the exports of raw materials more than it increases exports of processed products. For this reason, a greater rate of growth of production can lead to a slower growth of exports to the non-socialist countries. This leads to two conclusions:

- 1) Without a reduction in the material consumption of production and given the preference for the structure of growth in the National Socio-Economic Plan, a contradiction between the drive to accelerate economic growth and the need to protect the balance of payments with the second payments area arises.
- 2) The contradiction derives not only from the material consumption structure of production but also from the modest proportion of products of the processing industry in our exports to the capitalist countries. As a result we must choose: export raw materials or ensure a supply of them for domestic production.

#### In a Double Nelson

So far our analysis has supposed that the rate of growth and structure of global production assumed in the National Socio-Economic Plan will be achieved. The purpose of this analysis was to determine whether the 5-year plan is coherent and whether it ensures the implementation of the declared goals. The answer given was in essence no, for the savings program was not examined. Now we wish to examine this problem from a different perspective. How will economic growth proceed and how will the basic microproportions evolve if we take into account the limitations which will confront the economy during the next 5-year plan. We are considering here the limited increase in the supply of raw materials and fuels, in the labor force, and the obligation to meet our foreign payments.

Given the listed barriers the highest achievable rate of economic growth, measured in the rate of growth of the national income produced, cannot exceed an average of 34.5 percent annually. This growth rate, however, can be achieved only by assuming very liberal conditions for our balance of turnover in foreign trade. We are allowing for a decline in the export surplus with the capitalist countries (to \$1.0 billion in 1990) and maintenance of the present negative balance of turnover with the first payments area (about -0.6 billion rubles to the end of the 5-year period). Each attempt to improve the situation in the balance of trade clearly reduces the rate of economic growth. Thus, if we impose equalization of the turnover with the socialist countries (to the end of the 5-year period) the rate of growth of the national income declines to 3.0 percent annually, and when we additionally assume maintenance of the export surplus to the second payments areas, then a further decline to an average annual rate of growth to 2.8 percent occurs.

The above prices do not include limiting factors within particular branches. Their inclusion suggests the need for further downward corrections in the estimates given. It seems that the actual level of the rate of economic growth to 1990 (without reducing the material consumption of production) can average no more than 2.0 percent to 2.5 percent annually.

The analysis of the average annual rates, however, does not reveal the dominant trends and changes in development in 1986-90. The simulated calculations indicate that the rate of growth of the national income and consumption will decline over the course of the 5-year plan. Hesitations and irregularities appear here to be sure, but the declining trend is clear. There are two basic causes for the declining rate of growth of the national income and global production. The first is the appearance in 1986-90 of barriers that result from the full exploitation of our productive capacity because of the value of the fixed capital or the reserves in the labor force. This applies especially to constant increases in labor productivity; limitations on growth from this source are already appearing in the mineral, pulp and paper, and food industries and for all practical purposes in the transportation industry too. The second cause is associated with the increasing need for raw materials to expand production. Raw materials are also exportable goods.

The imposition of these severe conditions in foreign trade (the achieving of an export surplus) must limit the supply of raw materials for domestic producers and reduce the rate of production growth. This contradiction did not appear in acute form as long as the production of raw materials increased with the expansion of production of processed goods. In the next 5-year period the supply of domestic raw materials will increase only slightly; it is also difficult to expect a radical decrease in imports of them, thus the declining rate of production growth can be halted by reducing the consumption of raw materials, and later by changing the actual structure of exports.

In four key branches we should expect a distinctly lower rate of growth than the National Socio-Economic Plan foresees. This applies to the electro-machine, chemical, construction, and transportation and communication industries. In the last case, the cause is simply a lack of reserves in production capacity. In the electro-machine industry, on the other hand, which consumes the lion's share of the production of the metallurgy industry marked for supply purposes (70 percent excluding the consumption by the metallurgy industry itself), a limiting factor is the small rate of growth in metallurgy. These limitations affect construction, which is extremely dependent on supplies of the electro-machine industry (about one-fourth of consumption of the supply production of this branch excluding its own consumption) and transportation (about one-fifth of the value of the services of this industry are provided for production). In chemicals the probable cause of the small rate of production growth is the significant energy consumption (the third largest consumer of energy behind transportation and the metallurgical industry). The acceleration of the expansion of the chemical industry is not impossible, but we should devote attention to those branches that have limited energy needs.

A different situation occurs in the market industries. Both in light industry and the food industry, we can expect a greater rate of growth than the National Socio-Economic Plan anticipates.

The strong limitations in foreign trade with the second payments area affect the economy selectively, primarily slowing increased production primarily in those branches (electro-machine, construction) that determine the rate of accumulation and investment. Given these conditions, we should expect a slow rate of investment growth. The influence of these limitations in foreign trade on the rate of consumption is slight, because consumption can grow rather rapidly. This structure of the distribution of the national income, however, diverges sharply from the one adopted in the National Socio-Economic Plan, which anticipates an acceleration of the rate of investment.

The general rule is as follows: the stronger the limitations imposed in trade with the capitalist countries, the smaller the rate of growth of the national income and the greater the deformation in its structure, to the detriment of investment. An improvement of the proportion of allocation can be achieved by changing the actual structure of final production in particular branches. Restructuring in favor of exporters and investors at the cost of the consumers cannot be done without investments. The scale of the transfers depends on the quantity of investment resources; this quantity, in turn, is relatively small because of the following barriers. The low level of investment limits structural change in the economy, on the other hand, whose development, in its present structure, is retarded by limitations in raw materials. As a result we must count either on a reduction of the capacity of the economy to invest (creating a vicious circle) or on a serious reduction in the export surplus to the capitalist countries. Both of these consequences are difficult to accept.

#### Where to Seek Opportunities

In analyzing the economic macroproportions for 1986-90, we decided that it would be interesting to explore the possibility of achieving an export surplus with the second payments area even at the cost of other important social goals, such as accumulation or consumption.

These variants, which slow the rate of accumulation, propose squeezing a balance of turnover with the second payment area of about \$1.7 billion in 1990 from the national economy. This is not much greater than the export surplus achieved in 1984; the economy is near the upper limit of its present production structure. The results of the simulation of the variants, in which achieving an analogous export surplus (\$1.7-\$1.8 billion) at the expense of consumption (while maintaining a satisfactory rate of accumulation) also support this conclusion. The results of all these variants can be described as almost catastrophic. A collapse in the growth of the economy followed, as did a still more rapid decline in consumption (as much as -2.4 percent annually). The development of the national economy without gradually reducing the material consumption of production must lead to a sudden increase in the disproportions, leaving us with little or no chance of effectively controlling them. These analyses show that seeking a solution of the dilemmas by tightening our belts and limiting consumption is largely illusory. It is not the rate of consumption that limits expanded reproduction and the needed accumulation, but the structure of production (wasteful from the point of view of the consumption of raw materials and energy) and the actual structure of exports.

A change in the structure of production is a long-term proposition. How much, however, can we reduce the potential tensions in the economy by implementing a savings program? In our view, reducing the consumption of the basic raw materials, materials, fuels, and energy (on a scale of 1.3-1.4 percent annually for each unit of the national income) would allow us to increase the maximum rate of growth by an average of 0.5-0.8 percent annually. A reduction of material consumption only slightly affects the consumption rate (an average of 0.1 percent annually), but it clearly increases the rate of growth in accumulation, even by as much as an average of 1.5 percent annually.

Reducing the material consumption of production is not only our chance to break out of the emerging trend toward stagnation which already threatens us, but it is also the prerequisite for our economy maintaining expanded reproduction over the long-term.

13021/13104  
CSO: 2600/119

## DAILY VIEWS NEED FOR CUTS IN SUBSIDIES

AU151351 Warsaw TRYBUNA LUDU in Polish 10 Dec 86 p 3

[Article by Andrzej Leszczynski: "Subsidies—To Whom and What For?"]

[Excerpts] The present year is bound to increase the taxation of enterprises, one of the reasons for which is the creation of the fund for servicing our foreign debts. Is this any wonder? After all, both our foreign debts and subsidies are increasing.

At the end of October, taxation of enterprises in 1986 totaled Z1368.8 billion, 18.2 percent more than in 1985. Yet subsidies for unprofitable production amounted to Z1256.6 billion, 33.7 percent more than last year. The almost 30 percent higher financial result was burdened with 28.4 percent more tax than last year. So this year will bring no breakthrough.

But next year an effort will be made to curb the growing subsidies for material goods. The draft budget for 1987 calls for Z1,007.191 billion in subsidies. Although once again this is over 1 trillion, it is more or less the same as this year, and maybe somewhat less.

This would be the first small step toward "life without subsidies." The draft 1986-90 National Socioeconomic Plan calls for a 50 or 75 percent cut in subsidies over the next few years. It is obvious that retail prices would have to rise in both cases, though to a varying extent. This is the natural result of reducing subsidies. But reducing subsidies would also permit a rise in nominal incomes.

Here one might rightfully ask whether this will not push inflation even further up. Let us consider. The over 10 percent inflation over the past few years has achieved no equilibrium in wholesale or retail prices. This is the source of the spiraling inflation.

Eliminating subsidies, therefore, would "unblock the energy of enterprises" and base their activity on objective economic values, and would "smother" the excessive inflation which is distorting and encumbering our life. This would thus be a step toward animating the economic mechanisms which are incapable of functioning properly when there is economic disequilibrium and a lack of cost effectiveness.



At the Congress of Polish Reborn Trade Unions, Premier Zbigniew Messner pointed out an important aspect of this issue. "We are subsidizing retail production and services, as well as wholesale production. As a result, the prices of materials fail to cover the increased outlay and affect the costs of subsequent stages of production. This makes an effective cost effectiveness analysis on a national economic scale, within individual enterprises, and at home impossible."

The logical conclusion is that lower prices become an obstacle to austerity. Relatively cheap materials and components mean that the producer is not concerned with the price of procuring them and uses them irrationally. An excessive consumption of raw materials, especially coal and other minerals, causes heavy outlay on the development of capital-intensive coal mining. This means that there is less money to be spent on those spheres that bring modernity and progress, such as the electronics, precision instruments, and chemical industries.

These are the effects of an artificial sustenance of low prices by means of subsidies. That is why, as the premier said, "the government is determined to considerably reduce subsidies."

In this context, reducing subsidies is meant to be treated as part of the second stage of the economic reform, along with the revision of exchange rates, valuation of fixed assets, rationalization of prices, and discontinuation of various forms of rationing.

By the way, the second stage of the economic reform is often provided with an incomprehensible, and sometimes even secret, meaning. And yet the point of it is to achieve much-desired normality, so that money may mean money and prices reflect the demand for a given commodity, and so that prices established in this way might guarantee their producers profits and adequate resources for further development. To be brief, the point is a healthy and balanced economy.

/9738

CSO: 2600/244

## EXPORT DEVELOPMENT BANK ESTABLISHED

AU152201 Warsaw TRYBUNA LUDU in Polish 12 Dec 86 p 8

[PAP Report]

[Text] A notarial act on the creation of an export development bank was signed on 11 December. The bank's task is to promote all ventures designed to increase sales to foreign countries.

The bank takes the form of a joint stock company. The legal basis for its creation was the agreement expressed by the Council of Ministers in banking law regulations. The founder of the Export Development Bank is the minister of foreign trade who, along with the minister of finance represents the state treasury's share in the bank's share capital. Other shareholders are: the Polish National Bank, the Trade Bank, the Central Savings Bank, and the Food Industry Bank. Other economic units will shortly be able to apply for shares in the bank. Shares in the Export Development Bank will be available for purchase to state and cooperative enterprises; commercial companies, at least 51 percent of whose capital is owned by the state treasury, and partly foreign-owned companies, at least 51 percent of whose capital is owned by Polish partners.

The Export Development Bank will accumulate financial resources and will utilize them for providing credits to economic ventures designed to increase foreign currency revenue or to improve efficiency in the export of goods and services. The bank has also obtained foreign currency banking rights and will therefore operate in both zlotys and foreign currencies. The Export Development Bank will administer the so-called fund for the small-scale export-oriented restructuring of the national economy that was established this year. The bank will accept deposits, raise credits, and will provide credits to its clients in zlotys and foreign currencies for export-oriented ventures. The bank will also conduct foreign settlements of imports and exports resulting from its provision of credits to export-oriented ventures. Along with the signing of the deed of foundation, the bank's governing bodies, that is, its managerial and directorial boards, were appointed. Kazimierz Klek has been appointed chairman of the managerial board. The board's members are: Tadeusz Barlowski, Edmund Cichowski, Pawel Karpinski, and Marian Minkiewicz. The bank's headquarters will be located at 12 Swietokrzyska Street in Warsaw. It is envisaged that the bank will commence operations at the beginning of 1987.

/9738

CSO: 2600/244

## BRIEFS

MESSNER ADDRESSES CHEMICAL PLANT WORKERS--Warsaw, 9 Dec--A new "Oxo" technical alcohol plant, the second largest in the world, started production at the chemical complex "Azoty" in Kedzierzyn-kozle, southern Poland. The plant, built in four years at a cost of 16.5 billion zlotys, will produce 133,000 tons of technical alcohol annually, including 100,000 tons of 1-n-octanol and 33,000 tons of butanol. It was built under license from the FRG firm Zimmer, but one department, the ethanol plant, was fully furnished with Soviet equipment. Half of the production is expected to be exported by the new plant which was visited by Poland's Prime Minister Zbigniew Messner today in connection with the start of its work. Messner also saw another new plant at the complex, which will manufacture 330,000 tons of nitro-chalk, an artificial fertilizer. Addressing a meeting of the project's participants and representatives of the crew of "Azoty," Messner congratulated them on behalf of top state authorities, and said the plant, which is of vast importance for the country's economy, showed Poland was not paralyzed by incapacity or inaptitude. [Text] [Warsaw PAP in English 2122 GMT 9 Dec 86 LD] /9738

INCREASES IN PENSIONS--Provision is made in the central plan for next year for an increase of over 31 percent in average pensions and invalids' allowances. As a result of a reevaluation and of supplementary increases, pensions and invalids' allowances will amount to over 60 percent of the average wage. These matters were discussed today in Warsaw at a session of the Main Board of the Polish Association of Pensioners, Retirees, and Invalids. A decision was adopted on the introduction of certificates entitling all retirees and invalids to purchase two railway tickets per year with a 1-percent discount. The decision will come into effect as of 1 January. [Text] [Warsaw Domestic Service in Polish 1500 GMT 11 Dec 86 LD] /9738

CSO: 2600/244

## OFFICIAL ON TALKS WITH EC ABOUT BALANCING TRADE

LD082041 Belgrade TANJUG in English 1900 GMT 8 Dec 86

[Text] Belgrade, Dec 8 (TANJUG)—Despite certain changes, the latest European Community (EC) mandate for continuing talks with Yugoslavia does not contain proposals which would essentially contribute to a balancing of Yugoslavia's trade with the community and increase in its exports to the EC countries, Assistant Federal Secretary for Foreign Trade Ranko Radulovic told reporters here today.

The talks on renewing trade provisions of the existing Yugoslavia-EC cooperation agreement, which opened in Brussels on December 2, have been postponed for additional consultations, said Radulovic, who headed a Yugoslav delegation at the two-day meeting.

Yugoslavia believes that the talks should produce solutions facilitating the access of its goods to the Community market, he pointed out, adding that the tariff-free ceilings for industrial and agricultural products exempted from the general liberalization treatment of Yugoslav imports have been set unrealistically low. This hampers not only an expansion, but also maintenance of the current trends in trade.

Yugoslavia demands that the ceilings be either lifted or increased, among other things because its industrial exports to the community have for years far exceeded the quotas, stressed Radulovic. For the same reason, the Yugoslav delegation proposed that tariff-free quotas for the products made in cooperation or under joint venture programmes with EC partners be also raised.

The creation of more favourable conditions for the export of Yugoslav agricultural produce to the EC market was also discussed in Brussels, he said. This export has been marking a downward trend in recent years--from 450 million dollars in 1981, it dropped to about 355 million in 1985, falling below 250 million in the first ten months of this year.

The balancing of Yugoslav-EC trade is a major precondition for overall cooperation, but also for the servicing of Yugoslavia's debt to individual creditors in the community, said Radulovic. He expressed concern about the increase in Yugoslavia's trade deficit with the EC. Although reduced to 814 million dollars in 1984, it rose to one billion 77 million in 1985. Since the deficit for the first ten months of this year totalled 907 million dollars, it will probably exceed last year's figure.

/6662

CSO: 2800/80

## REPORT ON BUCIN SPEECH AT SAWPY CONFERENCE

LD182330 Belgrade TANJUG Domestic Service in Serbo-Croatian 0733 GMT 18 Dec 86

[Text] Belgrade, 18 Dec (TANJUG)--What we want to see achieved next year are more stable prices, more rational investment and consumption, and integrated economic and political trends in the country. The principle motives must include self-management, income, personal income, and social security, said Nenad Bucin, president of the SAWPY Federal Conference today in his introductory report at the session of the conference. The report focused on Yugoslavia's development next year and the tasks facing the Socialist Alliance.

"Our socialist society has never had such an agile enemy as inflation," Nenad Bucin said. He stressed that the forces within the Socialist Alliance should concentrate their efforts next year on the struggle against all the causes and effects of inflation and on creating a more unrestricted operation of economic and market laws. Inflation must be countered in an aggressive manner and its roots must be nipped in all the spheres of reproduction. Bucin underlined that, at first sight, the draft resolution does not offer measures of this kind since what is proposed does not promise the desired results within a period of several months. "The route to curbing inflation will be much longer and harder as the sources of fictitious income and the habit of transferring costs to the shoulders of customers, of taking advantage of monopolistic positions, and of financing unprofitable production and low productivity will have to be eliminated." In Bucin's view, the effects of the anti-inflationary policy in 1987 will depend on two essential, mutually-linked factors--a more liberal and enhanced action of economic and market laws and the development of socialist self-management.

Economic policy and the Socialist Alliance's political activity in 1987 will lead to difficult moves designed to change the existing and long-established economically absurd forms of behavior. There are many who, prompted by their genuine concern for the destiny of the working class, continue to warn of the possibility of serious social consequences and unrest if this path is to be pursued. However, it is clear that it is the working class who is most interested to see "the accounts settled" and to know exactly what comes under its control, how much it can spend, and who spends what it earns. At the same time, Bucin said, the issue of stepping up accountability in all spheres of our economic and social life has become basic to the efforts to continue the further democratization of relations in our self-managing society.



The president of the SAWPY Federal Conference supported the forthcoming changes in the distribution of national income saying that, as they envisage an increase of 2 percent in the share of revenue to remain within associated labor, they are economically more than justified. He went on to stress the need for other measures which would reduce the role of sociopolitical communities within constitutionally defined bounds and thus facilitate implementation of the conclusions of the 13th LCY Congress providing for the destatization of social reproduction. In the efforts to generate more income we must insist on a more rational use of all factors in production. However, these efforts are closely linked with our political responsibility and capacity to accept self-management as a social form conducive to free economic trends which can lead to modern technology and economy, domestic and world markets.

He went on to note that a continuing export growth is a key issue of economic activity in coming years and that by a prompt dinar exchange rate policy and by adjusting other systemic measures we must ensure that exporting becomes an economically stable activity. In view of the fact that our foreign debts mature in 1987 and that in 1988 we shall have to start repaying our rescheduled debts, exports will have to grow at a much faster rate than so far.

We must also ensure that next year rises in personal income are even more consistently linked with income growth, Bucin said. He stressed, in this connection, that "we must extend the life of those organizations of associated labor which are not capable of generating enough revenue to secure for its workers the level of personal income adequate for their existence and security and determined on the basis of criteria defined in social contracts." In reference to the part of income to be earmarked for public expenditure and welfare services, Bucin called for changes in the structure of social services. Savings in social services cannot be made by simply and arbitrarily limiting funds. What we must do to this end is to move away from the practice where necessary funds are acquired through contributions and taxes and to endow workers with genuine influence on the distribution of funds within the assemblies of self-managing communities of interest. This is where the largest proportion of the envisaged 2 percent increase in associated labor's share of social income is expected to come from.

The year ahead calls for a more active social welfare policy, Bucin said, emphasizing that the conditions in which a section of the working people have found themselves present a serious warning to the Socialist Alliance and alert it to the need for urgent concrete solutions. He added that the fact that inflation enables many people to become rich by buying and selling foreign currency and profiting from various forms of rents obliges the Socialist Alliance to intensify its activity next year." It is not uncommon for people in responsible positions to hesitate to find solutions which would put an end to these practices. How else can we explain the strong resistance to the proposal to tax property and income earned from rents. These socially unacceptable practices, their proponents and the environment where they are allowed must be identified and suppressed resolutely and as soon as possible," Bucin said.

The president of the SAWPY Federal Conference insisted that, in circumstances of high price rises, those social categories which are most at risk should be protected, a more efficient child welfare service should be introduced, unbridled rises in the cost of communal services should be curbed and subsidies introduced to help the lower-paid to pay their housing costs. We must, he said, improve public standards and welfare services, culture and education in particular; we must pursue an active policy as regards the standard of living of students and halt the fall in the real value of pensions. "These are not calls for spending over our material capacity but are more prerequisites for improved economic performance and a more stable position of people, families, and society as a whole."

Bucin characterized as urgent the need to speed up the work on changes in the economic system in order to determine, by the end of the year, comprehensive terms of economic activity. These changes must provide for a lasting and stable economic system based on the full observance of economic and market laws and will also strengthen economic motivation of the basic factors in economic activity. The new orientation in economic activity must not, however, be pursued to the detriment of the principle of solidarity and common responsibility for the successful development of the country as a whole.

According to Bucin, the process of changes already underway designed to eliminate major shortcomings in our political system is directly linked with the ways of emerging from the crisis. He said that the major improvements and changes in the system designed to make it more democratic, simple, and efficient and to enhance its unity, legality, and responsibility depend on the degree of political accord achieved. From the level of the basic organization of associated labor to the level of federation we must learn to avoid a formalized and overcomplicated procedure of coordinating standpoints in the process of decisionmaking. Through our activity we shall endeavor to bring about changes in the political system which will help to suppress and prevent the present practice of economic, cultural, and other types of isolationism.

Bucin spoke in greater detail about the coming changes and amendments in the SAWPY's program orientations and statute designed to make the organization more effective and more present in social process.

/6662

CS0: 2800/80

## ECONOMIC GROWTH DISCUSSED IN BOSNIA-HERCEGOVINA

LD130215 Belgrade TANJUG Domestic Service in Serbo-Croatian 1122 GMT 12 Dec 86

[Excerpts] Sarajevo, 12 Dec (TANJUG)--The results achieved in the Bosnia-Herzegovina economy over the first 10 months of this year show that with the full commitment of the League of Communists we can successfully cope with the economic crisis and its social consequences, as is confirmed by the 6.9 percent growth in industrial output and the 12.2 percent growth in exports.

This was stated at today's session of the Bosnia-Herzegovina LC, at which the results of the ideo-political activity of the more than 430,000 communists in the republic in implementing the congress stands and conclusions were summed up. The introductory report was delivered by Dr Ivo Cvitkovic, member of the presidium of the Bosnia-Herzegovina LC Central Committee, who said that many basic LC organizations are successfully conducting a campaign to increase production and improve the quality of management, but despite this, the planned trends have not been brought about in many sectors. Among the reasons for this, he said, is lack of ideo-political ability and lack of capability for action on the part of a section of the membership and basic organizations that is not up to guaranteeing that all the congress stands will be successfully implemented.

According to Cvitkovic, protagonists of conservative and ideological consciousness who have always been hampered, and still are, by the leading role of the LC, are taking advantage of this situation in certain environments. The attacks made upon the LC include accusations such as "we are using the ideology of the East, but the capital of the West"; that we wish to build socialism "by means of Eastern theory and Western practice"; that we "have abandoned the East, but have not yet reached the West, so that we are thus in a sort of dead end." Were we not able, not so long ago, to read on the pages of the press published even here in the SR of Bosnia-Herzegovina that "communism is a chance for the poor," and in a book by one of the bourgeois right from this environment that "Marxism is the only acceptable alternative for many backward countries of Asia, Africa, and Latin America." To say nothing of those who declare that the basic attraction of socialism has been lost. Communists should talk about this while reviewing their own obligations which proceed from the stand of the LCY Central Committee Presidium and the SPRY Presidency.

Speaking about the state of ideological ability and capability for action in basic organizations, Cvitkovic stressed that this varies from one environment to another. He warned that the low level of political and also even moral consciousness of LC members is a cause for concern, leading to a weakening not only of the prestige but also of the influence of the LC in society. Also, in his opinion, the work method of some basic organizations is not on a par with the place and role which they should have in society.

Shortcomings in work methods have led to certain organizations adopting conclusions and decisions which are binding even for self-managing and management organs. This has led to the usurpation of the role of self-management organs and the passivity of the membership of these organs, said Ivo Cvitkovic, member of the Bosnia-Herzegovina LC Central Committee Presidium, inter alia.

In the discussion at the session of the Bosnia-Herzegovina LC Central Committee attention was drawn to the numerous problems in the activity of communists in realizing the congress stands. Dr Zdravko Grebo questioned why the Central Committee was discussing after 6 months the implementation of the congress decisions. The reason, he added, is that they are clearly not being implemented. Grebo assessed that the passivity of the LC is alarming and he called for the phenomena being criticized to be singled out. He also thinks the documentation for the session does not reflect the real state of affairs, and that the introductory speech watered down the situation.

Dr Franjo Kozul warned of the strength of power centers, which as he said, have an unseen but frightening effect. These centers collaborate with all forms of bureaucracy, from the local to the regional and highest level. He also asked what the LC should be doing at this juncture when there are millionaires in the party, and also those with incomes of 50,000 dinars. He stressed that we must provide an answer as to whether the LC is going to find a taxation policy and other instruments in order to put an end to this social differentiation.

/6662

CSO: 2800/80

## WORK STOPPAGES IN PUBLISHING INDUSTRY ANALYZED

LD190001 Belgrade TANJUG Domestic Service in Serbo-Croatian 1121 GMT 18 Dec 86

[Excerpt] Belgrade, 18 Dec (TANJUG)--In the first half of 1986 eight work stoppages were registered in organizations of associated labor in the printing and publishing industry. There are no figures as yet for the second half of the year but it seems that the number of stoppages in that period was even higher than in first. This was said at today's session of the federal committee of the trade union organization in the printing and publishing industries and in the information sphere.

Discussing work stoppages in these areas of activity, the members of the committee expressed their reservation as to the accuracy of the data about work stoppages. These events are often hushed up or are presented as an enforced meeting, a cut in production due to shortage of material, and so forth.

However, regardless of whether the figure of eight stoppages is accurate or not, it still gives cause for concern since last year, according to official figures, not a single work stoppage was registered. The fact that work stoppages have also occurred in newspaper and publishing houses gives rise to concern.

The trade union representatives also noted that a specific form of work stoppages that workers themselves have branded as "white strikes," has reduced labor efficiency; more simply, cases of "force majeure" have become more frequent. These are really manifestations of dissatisfaction in the form of slow work, unnecessary breaks in the process of work, delays in carrying out tasks, and so forth. The consequences of these work stoppages are very serious, particularly from the economic point of view.

/6662

CSO: 2800/80



## BRIEFS

**NEW GST VICE CHAIRMAN**--The 47-year-old NVA Colonel Eberhard Koellner, who was trained in the Soviet Union as a research cosmonaut from 1976 to 1978, and who was the backup for GDR Cosmonaut Sigmund Jaehn, has recently been appointed as the deputy chairman of the Central Executive Board of the Society for Sports and Technology (GST) for flight and parachute training. The GST is responsible for the mandatory premilitary training of young people as well as for the military conditioning of the GDR population. Koellner, an ardent parachutist, was most recently deputy commander of the 'Franz Mehring' Officer's College of the GDR Air Force. Within Koellner's new area of responsibility lies the GST parachute training school 'Fritz Schmenkel' in Halle-Oppin. At this school parachutetrainers, competition parachutists, and applicants for the airborne career branch of the NVA are trained. [Text] [Bonn IWE TAGESDIENST in German No 191, 9 Dec 86 p 2] /13046

**DEATHS IN SOVIET MILITARY VEHICLE ACCIDENT**--Potsdam, 18 Dec (ADN)--There was a serious traffic accident yesterday evening on country road 119 between Jaenickendorf and Luckenwalde in Potsdam Bezirk. The driver of a Soviet military vehicle strayed too far left in a curve and collided with three on-coming cars. Three GDR citizens were killed and another two were injured. They are receiving medical attention at Luckenwalde Kreis hospital. The driver of the Soviet military vehicle was arrested and investigations have begun. [Text] [East Berlin ADN International Service in German 1034 GMT 18 Dec 86 LD] /6662

CSO: 2300/123

## SHORTCOMINGS IN COMIC STAGE PLAYS DISCUSSED

Tirana DRITA in Albanian 17 Aug 86 pp 3, 13

[Article by Enver Muhameta]: "Problems in the Development of Comedy"]

[Text] Despite all the achievements of recent years in the genre of comedy, if they are evaluated in light of the high requirements of our time, and if they are compared with the peaks achieved so far in the development of comedy, it is apparent that a number of flaws and weaknesses exist. On the basis, primarily, of the material offered by the development of comedy during the last five or six years, we will try to give some idea of the achievements it has made, the more positive processes and tendencies of its development, as well as the major shortcomings and flaws which have rendered this development difficult, and ways of overcoming them.

Of the 17 comedies published between 1981 and 1986, six of them treat the theme of the creation and strengthening of the new family on the basis of our communist moral principles. Relying on the same or similar subject matter, they treat various problems concerning the struggle our society develops to create and strengthen the socialist family. Thus, two comedies by T. Laco, "Nji Nuse per Stasin" [A Bride for Stasi] (a reworked variant of the comedy of the same title) and "Shi ne Plazh" [Rain on the Beach], discuss the problem of the struggle against backward and subjective concepts which hinder the creation of the new family on a sound foundation--against the matchmaking or tutelage of parents or relatives--and they affirm the courage and decisiveness of young people to defend their own pure love. The one-act comedies, "Kur t'i Merr Mendte Qyteti" [When the Town Fools You] (a farce in one act) by S. Demolli and "Dhender me cdo Kusht" [A Bridegroom under any Conditions] by N. Prifti, take a humorous position and make fun of those young men or women, who, in order to get to the city under any conditions, sacrifice their dignity and choose their mate for life on the basis of narrow petit-bourgeois interests and motives. Other comedies with this theme, such as "Floke Bore ne Prill" [A Snowflake in April] by P. Kulla and Enver Isufi, as well as "Kur Vjen Sezoni" [When the Season Comes] by Arqile Nasho (based on Ismail Kadare's story, "Sezoni Dimeror i Kafe Rivieres" [The Winter Season at the Cafe Riviera]), try to illuminate the problem of the struggle against the backward custom of matchmaking--in this case, of a "modern" middleman--as well as that of strengthening the newly created family and avoiding divorce for petty and unimportant reasons.

Another group of comedies, related in subject matter ("Nje Leter Anonime" [An Anonymous Letter] by D. Bubani, "Vani dhe te Tjeret" [Vani and the Others] by A. Balashi, "Keshtu te Dua" [I Love You So] by P. Kulla, "Ne Valle, me Shoket" [At the Dance, with Friends] by T. Alia) and "Lojtari Number 10" [Player Number 10] by H. Rama), discuss, each in its own way and on the basis of various facts of life, the important current problem of the struggle against petit-bourgeois psychology, and against connivers and swindlers, who, in order to satisfy their narrow interests, are ready to use any means that comes to hand, but who, in the healthy revolutionary environment of our society, in encounters with honest and principled people, have their masks torn away, have their true face revealed and are made ridiculous, together with their base aims and endeavors.

In recent years, comedies with social and moral and political problems have also been cultivated. The comedy, "Shtepia me dy Porta" [The House with Two Doors] by R. Pulaha, has at its center the character of a man with two faces, who, while he assumes the appearance of a principled and industrious socially active person, is really a petit-bourgeois hypocrite who speaks in one way and acts in another, and who uses beautiful and great words as a mask to conceal his lack of principles and his material profits from illegal means. On this basis, an important problem is treated here regarding the class struggle at the present stage—the problem of the struggle that our society develops to strengthen the man of the revolutionary type, in his thoughts as well as in his actions, against the two-faced hypocrisy of a category of people, against false appearances and pseudo-revolutionary phraseology, which are used as means to conceal a narrow petit-bourgeois spirit.

Among stage comedies we are examining, we also find some which treat social and political problems (in this case, we have in mind the one-act comedy, "Kush Thyen, Paguan" [Whoever Breaks it Pays for it] by Q. Buxheli). In this play, an attempt has been made to discuss a very topical and important problem that has been connected to one of the areas of the class struggle during the whole period of construction of socialist society—the struggle against bureaucracy and the strengthening of ties on the part of the cadres with the masses.

In this concise view of the problems used as subjects in comedy during the 1980's, several positive tendencies of its development, which are being deepened further, are clearly evident. First, development is observed, although not at the proper rate, of the positive tendency of comedy to broaden its subject matter and enrich its treatment of ideological problems. This tendency, connected with the execution of the instructions of the 8th party congress to reflect more broadly the great problems of the time, and to extend the range of themes in literature and the arts, is seen in broader treatment—in comparison with a few years ago—of important problems of the struggle against petit-bourgeois vestiges, as well as social and moral problems having to do with the creation of the family.

Along with this, in comedies at this stage, as well as earlier, a very large place—even too large—is being seen taken up with social and moral problems which concern the creation and strengthening of the new socialist family, against conservative concepts and prejudices which hinder it.

From the viewpoint given above, it appears that comedy has not achieved the pursuit and embodiment, at the required level, of those great and acute problems which our society faces at the present stage of its development. This constitutes one of its major shortcomings from this standpoint. Speaking of the role of culture, therefore, and of literature at the present stage of the development of our country, Comrade Ramiz Alia, in his speech delivered to the creative artists of Korce, emphasized that this, aside from other things, "...must help break down and discard outmoded concepts and ideas about production and work, must influence the mobilization of the masses at rapid revolutionary rates." With respect to important topical problems that are connected to the struggle against such dangerous negative phenomena as manifestations of liberalism and bureaucracy, lack of responsibility and indifference, and the pursuit of narrow personal interests, there are still not enough works of value. In the one-act comedy, "Kush Thyen, Paguan" by Q. Buxheli, which attempts to treat the important problem of the struggle against bureaucracy, negative phenomena have been viewed not as concepts, as ways of thinking and acting in opposition to the interests of the people and the party, but as a matter of official documents, forms and reports, and they have been presented by means of details which do not evoke the real present-day forms of the struggle, developed by the party and the masses led by it, against bureaucratic concepts and practices.

While the great and acute problems of the time, some of which were mentioned above, have not attracted the proper attention on the part of comedy-writers, it is evident that some other problems of a moral and family type have occupied—in relation to the aforementioned problems—too large a place, keeping in mind that aside from six comedies that have these problems at their foundation, in almost all other comedies, other plots involving love and the creation of the family are not only present, but occupy a conspicuous place, often shifting attention from the central problem that the authors are attempting to treat in them.

There is no doubt that the treatment in comedy of great and acute problems of the times, such as the struggle against liberalism, bureaucracy, etc., by contemporary authors with experience in the field of comedy, such as R. Pulaha, F. Kraja, T. Laco, D. Bubani, T. Aliaj, N. Prifti, P. Kulla, G. Kongoli, etc., as well as young authors in this genre, such as A. Balashi, L. Pallo, etc., could help greatly in raising the artistic level of this literary genre and could increase further its social value and its influential and revolutionary transforming strength over the masses. This would be possible by overcoming the one-sidedness of the subject matter, the poverty and narrowness of the ideological problems, which constitute the major shortcomings of comedy in the 1980's in terms of content.

Viewed from the quantitative aspect, literary production in the genre of comedy during the last five or six years could not be called small if a good number of them had entered the permanent repertory of our comedy. But it must be admitted that the greater number of the comedies that have been given to the public during these years have been of an average or mediocre level, with low artistic quality, and with tangible shortcomings in their artistic form.

One of the major shortcomings of comedy of the stage we are examining is schematicism, which appears in various forms. It is not rare to see a softening or



rounding of sharp contradictions of life, in their representation through weak plots, which resemble quarrels and bickering over unimportant matters more than harsh and principled encounters among characters with various concepts, opinions and attitudes regarding the problems that are treated.

In light of the contradictions resolved by our society, the various obstacles and difficulties that appear on the road of its development, in general, the universal class struggle which is needed to overcome them is much harsher, more complicated and longer and more difficult--and in no way mild, simplified, rapid and easy, as it is presented in many comedies of recent years.

The tendency to soften conflicts, which often leads to the varnishing and embellishment of reality, finds expression in the same or similar solutions, in "happy endings" which have become platitudes, a new stamp that encloses and restrains critical observation and original thought on the author's part to penetrate deeply into the contradictions of reality and give various original solutions, those solutions offered by life itself, in accordance with the objective laws of its development. Remember and compare a number of comedies--some of which, on the whole, are good works--such as "Shtepia me dy Porta", "Vani dhe te Tjeret" and, in part, "Nje Leter Anonime", "Zonja nga Qyteti" [The Lady from the City] and "Shoku Niqifor" [Comrade Niqifor] (published before 1981), "Floke Bore ne Prill", "Keshtu te Dua", etc. They resemble each other quite a lot.

Certainly, the similarities of conflict resolution in some of these works is external, since they have their own ideological problems, ideological and artistic nuances and motives, as well as treatment and resolution. The point is that the ways and forms of presenting these conflicts should be as they are in life--varied, and that the endless variation of comic contradictions and their resolution in our reality should be represented in a more extensively and more deeply realistic way and given on original artistic embodiment in our comedy. The point is also, that such things should appear in comedy with persuasive ideological and artistic force, and should emanate naturally from the dialectic of development of the characters reflected and the internal ideological and artistic logic of the work as a whole. But it would not be real and credible if the authors of comedies were inclined only to such solutions and, furthermore, in the same way (with engagements and marriages and, together with them, joyful wedding nights, etc.). It is even more unacceptable when such solutions do not agree with the essence of the characters portrayed and thus weaken the realistic reflection and the unmasking or critical pathos of the work as a whole. It is difficult to believe, as happens in the comedy, "Floke Bore ne Prill", that a couple that has been divorced for 15 months can be reconciled by means of tricks and contrived news with a few days at a resort, and should be united on their last evening simply because of the memory of their first meeting. Similarly, a hypocritical type like Abaz Kola in the comedy, "Shtepia me dy Porta", accustomed his whole life to thinking and behaving in a two-faced way, does not change completely on the evening of his daughter's engagement. Of course, keeping in mind the fact of the non-conformity of stage time to real time in the development of an event, it should be remembered that important spiritual, psychological and world-outlook transformations and changes are a much more complicated and laborious process,



which is difficult, slow and long-continuing. For that reason, they cannot be realized so easily on the stage, without preparation and a long harsh struggle that leads in a convincing manner directly to a credible motivated change.

In recent comedy, schematicism is seen in other forms, such as weak individualization of characters, especially positive ones, in the creation of approximate—not to say identical—characters (think of and compare D. Agolli's Zyllo Kamberi and Dule in the comedy "Floke Bore ne Prill", Bilbili in the comedy, "Kur t'k Merr Mendte Qyteti", and Bilbili in the comedy, "Dhender me cdo Kusht", Bektash Shkaza and Abaz Kola, etc.). Manifestations of schematicism, and therefore following well-worn paths, banal repetition and imitation of well known plots, etc., derive from superficial, one-sided knowledge of reality, from petit-bourgeois fears and a lack of civic and creative courage to seize the new phenomena and processes of the development of life and treat them with originality, from insufficient emotional intensity with respect to events and situations, or in some cases from a lack of talent on the part of the writer, humorist or satirist. To some authors of weak talent, comedy seems easy to write, while in reality—as M. Gorki correctly pointed out—it constitutes, along with the drama, the most difficult "form" of literature.

A large number of recent comedies also demonstrate a weak mastery of the art of constructing dramatic works, especially comic ones. Such works as "Ndodhi ne Mobillleri" [It Happened in a Furniture Shop], "Lojtari Number 10", "Shoku X" [Comrade X], "Mire se Erdhe Elona" [Welcome, Elona], etc. suffer from a lack of internal organic unity, from fragmentation or weak links of scenes and situations. It is apparent in them that the authors do not have sufficient ability to organize the living material functionally to link episodes, facts, events, etc. in such a manner that they can serve to illuminate specific sides of comic characters placed in the center of the work, and therefore to treat a specific ideological problem. Instead of concentrating attention on the major conflict which conveys the fundamental idea of the work, secondary plots and conflicts are introduced which lead to a scattering of the composition and a dispersion and breaking-up of the unity of the comic work, as well as a limiting of the possibility for a full discovery and unfolding of the contradictions.

The artistic weaknesses of comedy raise with special force the acute problem of thorough mastery of literary skill by writers of comedy and the raising of their theoretical professional level. No one can become a master of his work if he does not properly master its object, the specific nature and internal laws of its construction and development, the goals he can achieve and the most suitable ways and means of achieving them. The best national and world experience, especially in our time, has proved and is proving this in a convincing manner.

12249/12859  
CSO: 2100/11

## PRODUCTION OF POOR QUALITY HISTORICAL FILM DEPLORED

Tirana DRITA in Albanian 7 Sep 86 p 3

[Article by Fisnik Sina: "An Unsuccessful Film"]

[Text] On Thursday, the film "Kronike e Atyre Viteve" [Chronicle of Those Years] was shown on television. Understandably, there was viewer interest in this film, as there is in every new premiere. The film, however, did not justify this interest. It seems to us that it was below the level of average requirements. The treatment of the theme of the War in modern cinematography has established a good tradition. But this should not serve as a possibility for imitation among filmmakers, but rather as a source of inspiration. In concrete terms, not only did the film "Kronike e Atyre Viteve" not add anything new to the artistic treatment of its theme, but it resembled a patchwork of assembled episodes that did not have the required artistic fluency. In places, the scenes recalled other films.

The authors thought to compensate for the lack of plot and subject by a kind of external dynamism of activities in some cases, as well as by camera movement. Naturally such tricks are unsuccessful in a work of art, such as a film, which requires special concreteness. The first part of the film begins and ends with the call, "We want arms," in order to continue with the raids and controls in the second part and to conclude with the battle, which seemed too contrived to us, when it should have served as a real finale. To put it briefly, we had the impression that we are concerned here with a typically schematic film. The authors' point of departure was good, i.e. to treat a subject of great interest, especially to young people. But this required the necessary artistic realization, or else even important themes are compromised, as occurred in this case.

It is well known that the process of producing a film, before it is shot, goes through several links. The question arises: how have they operated in this concrete case? The film, in a word, implies that the work of the artistic council has not been at the required high level.

Since ideas, scenario and technical stage direction are some of the processes which are monitored rigorously, there is no reason not to avoid faults, at least to such an extent as to allow the films to be shown.

In the artistic councils and on editorial boards, there are extremely able directors and scenario writers. Their work must also be felt in other creative work, regardless of the fact that these will not have their names on the cover. On the other hand, the aim of training young directors is a good one, but their training must be well thought out. It would be more correct and fruitful to give them training as assistants and, afterwards, as co-workers with more experienced directors, instead of entrusting them with a film. Such work practices are not lacking, and not only should they not be forgotten, but also they should be extended further. Realizing a certain quantity of films must not be done to the detriment of quality. An excessive number of weak films destroys taste and lowers requirements.

12249/12859

CSO: 2100/11

## JAKES MEETS WITH ZIMBABWE'S MUGABE 13 DECEMBER

LD132312 Prague CTK in English 1556 GMT 13 Dec 86

[Text] Harare, 13 Dec (CTK correspondent)--Milos Jakes, Czechoslovak Communist Party Presidium member and Central Committee secretary, was received here today, the third day of his friendly working visit to Zimbabwe, by Robert Mugabe, first secretary of the Zimbabwe African National Union-Patriotic Front (ZANU-PF) and Zimbabwean prime minister.

They pointed in their friendly talks to the extensive relations between the two parties and government institutions as well as social organizations of the two friendly countries and voiced mutual interest in their future promotion.

Mugabe and Jakes confirmed resolute opposition to all forms of racial oppression and neocolonialism, and expressed full solidarity with all the other frontline states facing South African aggression. They resolutely denounced the support given to the Pretoria racist regime by the U.S. and other forces of world imperialism.

The talks showed full accord of views on most burning issues of disarmament and strengthening of peace in the world. The two sides noted with satisfaction that this goal is followed by the peace initiatives of the USSR and other socialist countries, including Czechoslovakia as well as the activity of the Non-Aligned Movement led since this year's summit conference in Harare by Robert Mugabe.

/9738

CSO: 2020/38

## JAKES DELEGATION MEETS PDYR PARTY LEADER

LD152202 Prague CTK in English 1558 GMT 15 Dec 86

[Text] Aden, 15 Dec (CTK correspondent)—A delegation of the Czechoslovak Communist Party Central Committee led by the Central Committee Presidium member and Central Committee Secretary Milos Jakes held talks here today with Secretary General of the Yemen Socialist Party 'Ali Salim al-Bid.

The delegation arrived in the People's Democratic Republic of Yemen yesterday on a friendly working visit.

'Ali Salim al-Bid informed Milos Jakes of the positive development and consolidation in the party and society. He expressed the conviction that the Yemen Socialist Party leadership will succeed in the further strengthening of this trend.

Milos Jakes stressed on this occasion that the Czechoslovak Communist Party supports all efforts for national reconciliation and for strengthening the party unity.

Both sides expressed identical views on the solution of the most topical international political questions, including the need for effective disarmament steps and the strengthening of peace in the world. They also resolutely condemned the continuing Israeli aggression against neighboring Arab countries and expressed full support for the legitimate rights of the Arab people of Palestine and all steps leading to a just peaceful settlement in the Middle East.

Economic problems were discussed during the delegation's talks with members of the Yemen Socialist Party Politburo and Premier of Democratic Yemen Yasin Sa'id Nu'man.

Bilateral talks were held between Deputy Minister of Industry and Trade and Supply Ali Abdul Karim [name as received] and Czechoslovak Deputy Foreign Trade Minister Jan Garcar who stressed the need to further increase Czechoslovakia's share in the foreign trade turnover of the People's Democratic Republic of Yemen. Concrete steps in this direction are to be discussed at the prepared session of a Czechoslovak-Yemeni mixed commission for economic, scientific and technical cooperation.



Czech Minister of Health Jaroslav Prokopec and Yemeni Minister of Health Sa'id Sharaf signed a new protocol to a Czechoslovak-Yemeni agreement on cooperation in medical care.

The Czechoslovak Communist Party Central Committee and a delegation of the Yemen Socialist Party signed a protocol on cooperation between the two parties for the next two years.

The Czechoslovak delegation later inspected a health center in Aden opened last October as a present of Czechoslovakia to the People's Democratic Republic of Yemen.

/9738

CSO: 2020/38

## OBZINA SIGNS ENVIRONMENTAL AGREEMENT IN BERLIN

LD162144 Prague CTK in English 2058 GMT 16 Dec 86

[Text] Berlin, 16 Dec (CTK correspondent)--Czechoslovakia and the German Democratic Republic today signed an agreement on bilateral cooperation in environmental protection, envisaging launching of over 30 actions in the area in the coming years.

The agreement, covering the period up to 1990, was signed here today by visiting Czechoslovak Deputy Premier Jaromir Obzina and Hans Reichelt, deputy premier and minister for environmental protection and water resources of the GDR.

Under the accord, Czechoslovakia will launch 10 large-scale undertakings in the field of environmental protection and the German Democratic Republic will start 23 minor projects.

Jaromir Obzina told CTK today the agreement's importance lay in the complex solutions it envisaged to the two countries' ecological problems.

He said the accord was the first one to deal with the problems in complexity and include issues such as waste treatment and advanced wasteless technologies as well as the use of international experience in the field.

Czechoslovakia's approach to environmental protection is based on a long-term concept covering the next 15 years and focusing on key projects such as cutting emissions from conventional power stations and the construction of nuclear plants, he said.

/9738

CSO: 2020/38

## HAVLIN ON YOUTH, INTERNATIONAL STUDENTS' UNION ACTIVITIES

AU291002 Prague RUDE PRAVO in Czech 18 Nov 86 p 2

[Report on the speech delivered by Josef Havlin, CPCZ Central Committee secretary at the 17 November joint session of the secretariat of the International Students' Union and the presidium of the Czechoslovak University Students' Headquarters attached to the Socialist Youth Union, held in the ceremonial hall of the Prague Karolinum: "From Comrade Josef Havlin's Speech"]

[Text] In his speech, Josef Havlin said that progressive students throughout the world are commemorating today the tragic events of 17 November 1939, when the Nazi invaders closed down the Czechoslovak institutions of higher learning. This shameful act, which nothing can justify, was meant to be one of the measures aimed at forcibly achieving the spiritual and economic liquidation of the Czech nation. It was a tragic event which affected the whole nation and which was meant to break with the utmost brutality the just struggles of our teachers and students who, hand in hand with the Czech workers and the overwhelming majority of our people, conducted a just struggle for our independence, for our right to live, for the right to peaceful work and against the betrayal of the bourgeoisie, against fascism.

The courage and heroism of our students in autumn 1939 won them sympathy and all-round support throughout the world. The fact that 17 November was declared International Students' Day as early as 1941 was a logical consequence of the respect and esteem won by Czech students in their fight at a time which was so difficult for our nations.

In its 40-year history, the International Students' Union has won prestige, J. Havlin continued, by its many-sided activities oriented toward topical educational issues, by its fight to make education a truly human right, by its right to consistently implement the peace and humanitarian mission of education, science, and culture. We feel really proud that the International Students' Union has chosen Prague, the capital of socialist Czechoslovakia, as the seat of its permanent secretariat.

We highly appreciate it that today, too, the voice of the progressive students' movement is heard wherever a fight is waged against the threat of feverish armament and against nuclear war; and that the International Students' Union fully supports the Soviet Union's peace policy together with all progressive people in the world.

We appreciate the activity of the International Students' Union in the fight to ensure youth's right to education and work. We are fully aware that the fight against the cruel tax demanded by militarism and neocolonialism from education, and the fight against the ideology which imbues even education and upbringing with discrimination and racist hatred, that this fight is increasingly becoming a most urgent task for the progressive students movement. It is really true that high military expenses are becoming a growing burden, borne by mankind regardless of the development level in individual countries; and that a further growth of military budgets particularly affects the younger generation.

The causes lie in the adventurous and predatory policy of the most reactionary circles of imperialism--in the stands adopted by the Reagan Administration, which represents the interests of the powerful military-industrial complex. The false arguments used by the White House, and the rejection of the Soviet Union's constructive peace proposals, cannot pass muster before the whole world, particularly not before the progressive young generation. But we believe that the peace initiatives that are being submitted by the Soviet Union and by its representatives will not be in vain.

We are happy that the International Students' Union is transforming the common fight for the successful defense of peace, for the progress of all mankind, for the happy future of the coming generations--the foundation of its establishment--into actual deeds.

We in Czechoslovakia follow with unconcealed sympathies the approaches contributed by the International Students' Union to this effort. We are sincerely glad you have successfully found a common language with a growing circle of student organizations and movements with all kinds of international structures. This is also proved by the current World Student Forum. We think it most valuable that your purposeful effort is increasingly leading to common practical steps in the defense of peace, in opposition to war preparations. For such a fight you will find full support in our country, in the CPCZ, in the Socialist Youth Union--our united organization of children and youth, J. Havlin stressed.

We side with the forces fighting for national and social liberation. Together with progressive forces in the world, and in the awareness of our international responsibility, we will continue granting support and assistance to people burdened by fascism, apartheid, and limited rights and life certainties, but wanting to live a free, full life with equal rights.

Josef Havlin then underscored that our society links its future with young people, and they link their life with socialism and peace. The fight for peace means, for the young, to honestly work for socialism, to train well for their future job, to actively participate in the country's economic, scientific-technical, social, and cultural development. Our youth sees its share in building socialism in contributing to mankind's fight for social progress and a world without wars. We are proud that our country stands at the side of the Soviet Union and of other socialist countries in the front ranks of the fighters for peace and social progress.

In our schools we comprehensively raise the children and the youth in the spirit of peace. The peace movement at our schools is an organic part of the nation-wide peace effort in our country. Upbringing in the spirit of peace is realistically reflected in, and linked with, our everyday life and the schools' specific activity, as well as our entire socialist society.

Our entire society, J. Havlin stated, is involved in fulfilling the tasks resulting from the 17th CPCZ Congress conclusions. Our country stands alongside states with high educational and cultural standards. The entire development of our school system to date has proved that only a socialist state is capable of realizing the democratization program in education. Both by its contents and its organizational structure, our school system is directly linked with the people's life and work. In socialist Czechoslovakia, upbringing and education are a national affair. We aim at ensuring full harmony between the current and future needs of our national economy and of the entire socialist community.

The CPCZ leads the young generation in the spirit of Marxism-Leninism to a belief in the force of communist truth, so that it would give all its energy to our country's prosperity and to the peaceful tomorrow, Josef Havlin underscored in conclusion.

/9738

CSO: 2020/38



## PEACE ACTIVIST DISCUSSES RECENT TALKS, GREENS' 'DEMANDS'

LD091107 Prague CTK in English '003 GMT 9 Dec 86

[Text] Prague, 9 Dec (CTK)—The dialogue between Czechoslovak and West German peace movements representatives in the West Bohemian spa of Mariánské Lázně on 28-30 November confirmed that progress can be made in a frank discussion respecting difference in views, ideologies, religious conviction and world outlook, Josef Krejčí, deputy chairman of the Czechoslovak Peace Committee has said in an interview with CTK.

Opinions differed in the debate and the Czechoslovak representatives had to refute the idea of the West German colleagues that the peace movement in Czechoslovakia is supervised by the government, that it is some sort of government organization. "But we also pointed to the fact that the Czechoslovak public have no reason to disagree with the government, as its policy is clearly based on the principles of peace."

The roots of the problems which cropped up in Mariánské Lázně need to be seen in the worsening international situation and new elements in the West German anti-war movement he said.

Josef Krejčí went on to say that "a step ahead was made despite the different views. The adopted conclusions, inter [word indistinct] clear rejection of the U.S. 'Star Wars' plans or preparations for joint actions in support of some peace initiatives, were optimistic and form foundations for another dialogue next year."

The Mariánské Lázně meeting was attended by 65 West German representatives. "We regret that they did not include representatives of the Greens Party, as the Czechoslovak peace movement ranked among the first to establish contacts with this political and anti-war force in the FRG. However, the subjective demands made by the Greens in connection with their participation in the meeting were unfortunately unacceptable for us. We expect further forms of cooperation between the Czechoslovak peace committee and the Greens Party to be discussed soon," Josef Krejčí said.

/9738

CSO: 2020/38

## BELGRADE RADIO INTERVIEWS MESSNER

AU172151 Belgrade Domestic Service in Serbo-Croatian 0900 GMT 7 Dec 86

[Interview given by Zbigniew Messner, chairman of the PPR Council of Ministers, to Jan Novakowski, Belgrade radio correspondent—place and date not heard; read by announcer]

[Text] [Passage indistinct] [Answer] [Passage indistinct]

This is a complex question and it would be difficult to answer in a few sentences. Various organizational solutions in 1982 and the period that followed constitute another attempt at reform. However, it should in no case be considered that preceding attempts were superfluous. They yielded the experience that we now use. Something similar applies to the experiences of other socialist countries.

The present reform, however, has a much wider and greater scope than merely establishing an economic equilibrium. It embraces virtually all the fields of socioeconomic life. The need for the reform arose from the change in the relationship of the productive forces' potential, their development, and the system of leading and managing, the system of the state organization in general.

As you know, the reform in Poland is tied, among other things, to a decentralization of management. The three "S's"—self-reliance, self-management, and self-financing—have to a great extent contributed, as is known, to the intensification of the economic development following the crisis in the 1980-82 period, although in my opinion the pace of development is still insufficient. In comparison with the beginning of the decade, the condition of the Polish economy has improved, and we have marked a pronounced increase in production from 1983 onward, of 4 to 6 percent a year. The national income is growing at the same pace.

Poland is approaching the ability to feed itself. In 1981, the food products foreign trade deficit amounted to about \$2 billion, while in 1985 it was almost completely abolished. The imports of grain in 1981 amounted to about 10 million metric tons, and this year they should amount to somewhat less than 2 million metric tons. The grain yields increased by almost one quarter during this period. This of course does not resolve all the problems. The

social efficiency of business operations continues to be inadequate, the increase in the productivity of labor is too low, and the increase in wages is insufficiently tied to it, and in addition one needs to make the consumption of raw materials and energy more economical and to modernize production.

We strive for changes in the economy that would ensure a balanced and effective development so that social needs may be met as fully as possible. This is the basic prerequisite of the national social economic plan for the 1986-1990 period.

We are now entering the second stage of reform which consists of an accelerated march toward this goal. We began the reform under crisis conditions, and even now we have some circumstances that do not contribute to the progress of the reform, for instance the exceptionally slowed down increase in the labor force, disinvestment, as well as excessive consumption of materials and energy.

We wish to achieve an equilibrium in supply, investment, and consumption, as well as modernization in the following way: by providing objective conditions for operations of enterprises through the introduction of realistic economic parameters, such as prices and rates of exchange; by modernizing production through changing the structure of production potentials in favor of the branches that are modern and efficient, an essential role in which is to be played by science and scientific production progress; and by speeding up the growth of the productivity of labor. For this purpose, we will apply on the one hand a ruthless economic coercion, going as far as bankruptcy of enterprises, directing state aid, benefits, and subsidies exclusively where they are socially necessary. On the other hand, we will introduce a system of certification of jobs, or rather a reexamination of organizational structures. Such measures were fully endorsed by the 10th PZPR Congress in July of this year.

[Question] How does Poland intend to solve the problem of foreign debts?

[Answer] Debts constitute a great burden on the Polish economy. This burden restricts the pace at which the economic situation is being settled and the standard of living increased. We are working under conditions which could hardly be qualified as normal in the modern world. About 90 percent of our imports from the West must be paid for in cash, not counting the revolving credits. Despite this fact, we have succeeded in turning a foreign trade deficit of \$4 billion in 1981 into a surplus of over \$1 billion, maintained continuously since 1983.

We strive for a return to normal financial and credit relations with our creditors. We are working in two directions: to negotiate a payments formula that would be acceptable to both sides--we already have a number of agreements with commercial banks, and we conduct talks that are sometimes very difficult within the so-called Club of Paris--and to increase the export capability of the economy. The restructuring, which I have talked about, facilitates a modernization of production so as to meet the requirements better and to achieve competitiveness on world markets.

[Question] There is much talk recently about self-management in Poland in connection with certain amendments proposed to some laws. Answering the question whether [Poland should proceed] with self-management or without it, General Wojciech Jaruzelski in his report to the 10th PZPR Congress made an unequivocal reply: with self-management. Does the Polish Government intend to take any measures to strengthen self-management and its influence, and what will these measures be? Are any essential changes planned in the self-management law?

[Answer] I will begin by noting that no changes are envisaged in the workers self-management law, at least not at the present stage. We do not want anybody to think that the government intends to limit self-management. I stress that one of the main points of our reform is a reliance on self-management, above all workers self-management. With the self-management law and other laws of 1981 and 1982, the Sejm provided broad opportunities for the operation of self-management. The self-management bodies in enterprises have the right to make decisions, adopt plans, make investment decisions, and distribute income. They have the right to present their views, proposals, and requests, and they also have the right of control. In case of an irreconcilable difference in views they may institute suits against the director of the enterprise or the founding organ. Self-managing bodies exist in a great majority of enterprises.

I wish to stress that the development of self-management embraces not only the economy, for 3 years ago the Sejm also adopted a law on a system of people's committees and local self-government.

[Question] What is the current sociopolitical situation in the country? We are also interested in the question of the so-called national reconciliation, social accord, particularly now, following the spectacular government measures, such as the question of freedom for all political prisoners, drastic reduction of legal sanctions, and so forth. It is also known that a so-called Social Consultative Council, and the institution of a civil rights representative, an ombudsman, are planned to be set up.

[Answer] First I want to protest against the word spectacular. There has been no spectacular freeing of political prisoners, but generally speaking an attempt to liquidate the category of prisoners for noncriminal reasons. The attempt proceeds from the fact that sociopolitical life in the country is being normalized. Our situation is very aptly described by the term normalization. There is no doubt that Poland has again become a country with a normal life, normal work, and gradual development. The essence of the term national reconciliation consists of the fact that we do not ask where anybody comes from. We are only interested in whether he wishes to march in step with us, as Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the State Council, stressed on several occasions.

Differences in world outlook should not constitute a barrier to the pooling of efforts for improving the quality of our life. The only condition for a dialogue is the recognition of the constitutional foundations of the social

system of the PPR. Such a general national dialogue about the problems of Poland and the Poles as is conducted now is not easy and will not be easy. However, it is the only constructive way of solving the problem. PRON--the Patriotic Movement for National Rebirth--constitutes the basis for such a dialogue. Many institutional guarantees are being created in order to expand this dialogue. They range from the Constitutional Court, which recently reversed a government decision, through the institution of the civil rights representative--the setting up of which is now under preparation, among other things on the model of Sweden and Austria; this institution is an independent and objective protector of the broadly interpreted interests of citizens, who would be represented, for instance, in contacts with the administration at various levels--up to the idea of setting up a consultative council, composed of distinguished persons holding different views of the world, who would pronounce on the problems most important for the future of the country.

Of course these institutions will not contain any political adversaries, sworn enemies of socialism. There is no place for them there. The creation of these institutions in our political scene may be expected in the near future.

[Question] And what about the relations between the state and the church?

[Answer] We have stated many times, and it is a fact, that the question of the relations between the state and the church in Poland is regulated in a historically meritorious way. According to the provisions of our Constitution, all church institutions have the right to operate, and they do operate. It must be said that our society is to a great extent a religious society. The relations in this respect are correct and, for instance, there has never been any break of relations between the state and the church. The dialogue, if we may put it so, has been going on continuously; or rather, 34 churches and church councils that operate in Poland find their place in the general social dialogue. Members of the Catholic and Christian church associations more and more frequently become members of central and local organs of authority.

As regards relations with the Roman Catholic Church, our views on questions vital to the people and the state are to a certain extent congruent. A mixed commission of the government and the bishops is continuously at work. We see opportunities for cooperation in, among other things, education of the young generation in the spirit of patriotism, respect for the national culture, and resisting social pathology and moral evil. The Polish legal system guarantees to the church full freedom in performing religious functions, as well as freedom of conscience and of faith. More churches are under construction in Poland than in the whole of Europe or in general at any time in the period since the war.

Unfortunately, we also have to deal with a certain number of priests who misuse the church against the socialist state and who instigate various ways of disrupting public order. Although they are very vociferous, they are not exactly numerous.



[Question] Mr Premier, you stated in the Sejm: The second half of the 1980's will decide on the future of Poland. Before the 10th PZPR Congress, you also said: We are concluding one of the most difficult periods in the life of the party and the state. How is one to understand this?

[Answer] I believe that my preceding statements in which I spoke about the difficult years in the development of Poland constitute a sufficient explanation of why the first years of this decade and the crisis of that time are considered one of the most difficult periods of our modern history.

The appearance of extremist forces at that time led to a destruction of the state, to a fall in production, and they were pushing Poland into an abyss. Those years meant a regression, and now, when all that is behind us, we must be aware that it is not sufficient that these processes be stopped. We must step forward at an accelerated pace, for at the time when we were passing through our troubles [words indistinct]. We have no other choice but to make up for the time lost, to speed up the sociopolitical development, to modernize production.

We therefore envisage that by 1990 we shall double our investment in scientific and technical advancement. At the same time, as I have said, we are doing much so as to liberate the social energy of our countrymen. In short, Poland cannot and will not remain at the tail end of the world scientific and technical revolution that is under way.

[Question] And finally, relations with Yugoslavia: How do you assess them? Where do you see the greatest opportunities for the development of cooperation between our countries? We are particularly interested in your opinion on the opportunities for the development of industrial cooperation, and scientific and technical cooperation.

[Answer] Our relations are very good and they develop dynamically. The meetings between the heads of government of the two states in 1984 and 1985, the talks between Wojciech Jaruzelski and Milka Planinc, were important for their activation, especially in the economy, science, and technology. It also suffices to state that in the second half of the 1980's we envisage an increase of our trade by more than 60 percent in comparison with the preceding 5-year period. Deliveries on the basis of the agreement on cooperation and specialization of production constitute more than one-fourth of our trade; they include, among other things, the automobile industry, electronics, and domestic appliances.

The opportunities for expanding cooperation also extend to power generation and automation. Our cooperation in the field of finances and banks is also developing well. We jointly introduced payment facilities which make possible an expansion of overall trade in goods between Poland and Yugoslavia.

You are right when you draw attention to the prospects and the significance of industrial cooperation and scientific and technical cooperation. We believe that joining our efforts makes it possible to solve problems through

an economical and more efficient utilization of the intellectual, technical, and production potentials of interested partners both in the field of bilateral relations and in multilateral undertakings.

Further opportunities for the development of the Polish-Yugoslav relations, and the deepening and expansion of our cooperation in the field of industrial cooperation and specialization, as well as in the field of scientific and technical progress, are the subject of joint work in the Committee for Economic and Scientific and Technical Cooperation.

[Question] Thank you for your interview.

/9738

CSO: 2020/40

## DEFENSE MINISTER, DELEGATION HOLD TALKS IN BELGRADE

LD092332 Warsaw PAP in English 2223 GMT 9 Dec 86

[By PAP correspondent Zbigniew Falecki]

[Text] Belgrade, Dec 9--Polish Defence Minister Gen Florian Siwicki called on the Commander of the Army District of Nis, Gen Ivan Radanovic, on the second day of his visit to Yugoslavia.

He was briefed by Radanovic on the country's defence doctrine and the ensuing tasks facing his army as well as on organizational matters and military training in the district.

The Polish military delegation visited also an airborne brigade, and an industrial plant at Kragujevac, where they were briefed on production accomplishments, technological processes, and working conditions.

They were also informed on the vast Nazi crimes in the area during World War II when on October 21-23, 1941 the Nazis had shot to death about 7,000 men and boys, including 300 high school students.

A reception was held tonight at the Polish Embassy in Belgrade marking Gen Siwicki's visit and attended by top Yugoslav military officials, including Federal Defence Secretary Admiral Branko Mamula.

/9365

CSO: 2020/37

## KOMENDER ADDRESSES PAX NATIONAL CONFERENCE

AU290550 Warsaw SLOWO POWSZECHNE in Polish 24 Nov 86 p 3

[Speech by Zenon Komender, chairman of the PAX Association and deputy chairman of the State Council, at a national conference of chairmen of regional PAX circles in Warsaw on 22 November]

[Excerpts] We are holding our conference at a time when the resolutions of the 10th PZPR Congress are being implemented. The essence of these is the aim to make good the historical time that has been lost and to animate development processes in all spheres of social life. Using the strength of all society, we must solve various problems affecting the life and work of Poles and the young generation's prospects.

We realize the extent of the economic difficulties and the complicated social conditions caused mainly by increasing disproportions between society's needs and the extent to which they are being satisfied. In a situation like this, the basic "source of optimism," in fact the only one, is, as PZPR First Secretary Wojciech Jaruzelski put it, "hot patriotism and creative strength from our people, who want a resourceful, orderly, and safe fatherland and who want it to establish its worthy place among the other countries of the socialist community, Europe, and the world."

This conviction is also the main inspiration for PAX energy. We are trying to participate in the performance of this historic task to the best of our ability. This energy stems from our ideology, the main precepts of which are Polish patriotism, a Christian world outlook, and socialist development. We are trying to serve these values by means of our ideological-educational work; our publishing, sociocultural, intellectual, and research activity; and by means of the work of our Sejm deputies, people's councilors, and self-management body activists. In addition to this, we are undertaking economic and production activity. A special scope of activity is provided by our presence in all bodies of PRON, peace defense committees, and various national and regional social organizations.

Membership in PAX often involves a conscious but difficult ideological-political choice. Apart from possessing a political dimension, joining PAX also possesses an ethical one. Our organization and its cadres remain under

pressure from circles which are struggling against PAX either because of the nature of its sociopolitical commitment or for other reasons. Hence, preserving our identity and our capability of defending our ideological-political line requires enhanced ideological-educational work and a consolidation of organizational ties.

It is necessary to reveal the current importance of the problems involving Poland's place in the world and the strength of its alliances, especially with the Soviet Union and other countries of the socialist community. At a time of international tension and conflicts, it is becoming our primary duty to struggle for Poland's security, sovereignty, and future, which requires constant sensitivity and an energetic Polish policy vis-a-vis the German problem in Europe and the aggressive dealings of NATO states. This also involves the need to counter the erroneous and patriotically harmful ideas about Poland's position in the international order.

Poland's independence, national sovereignty, and peace are supreme values for Poles. The experience of history and the present makes us regard internal calm as a great value and as a condition necessary to preserve independence and peace in Europe and the world.

Since the beginning of its existence, our organization has attached great importance to the defense of peace. Guided by a national, Christian, and social motivation, we regard peace as a basic component of the Polish *raison d'etat*. The national motivation refers back to the Polish tradition of the nonuse of force in international relations, to the memory of the enormous human and material losses suffered during World War II, and to the realization that a new war in Europe would not bypass Poland and would cause it immeasurable damage. In our Christian motivation, we refer to the evangelical requirement of peace between nations, to the church's social teachings, and in particular to the universally accepted contents of the "Pacem In Terris" encyclical, to the teachings of Popes John XXIII, Paul VI, and John Paul II.

The progressive social movement of Catholics known as PAX possesses a history of over 40 years of joint activity with the workers class. Our socialist commitment has been shaped under real conditions, including the socialist construction program, whose implementation has brought tangible achievements during Poland's development despite many difficulties and mistakes. These achievements include the correct choice of Poland's political place in the world, guarantees of its external security, the repossession of the western and northern territories, and the reconstruction and expansion of Poland--all of this providing a point of departure for social progress, the overcoming of outdated social structures, and general progress in the education sphere.

The way we see it, the achievements contained in this record of successes and failures create a real basis for programming further development. Hence, PAX Association activists regard the following patriotic task formulated during the 10th PZPR Congress as the chief one: "The enhancement of development processes." We wish to take part in performing it by means of all the streams of our activity.



## SEJM ADOPTS NEW SOCIAL SECURITY LAW

LD252247 Warsaw PAP in English 2035 GMT 25 Nov 86

[Text] Warsaw, Nov 25--The Polish parliament today reviewed another problem of considerable social interest by carrying out the first reading of a draft on the tenant's law. The proposed changes were presented by Minister for Building and Spatial and Municipal Economy Jerzy Bajszczak [name and title as received] (address given separately).

The debates were attended by Wojciech Jaruzelski and Zbigniew Messner.

In general, deputies recognized the government draft as corresponding to social postulates. After the first reading, the draft will be analyzed in detail by Sejm committees.

The high chamber adopted today the law on the organization and the financing of social security. The new law expands the powers of supervisory boards of Poland's social security board ZUS. Deputy Kazimierz Orzechowski stressed that the most vital innovation was the creation of a social security fund, created chiefly from fees and budget subsidies. The fund will be managed separately and its disposer will be ZUS.

According to the regulations, the state--in general--guarantees benefits covered by the social security system. This means, that if in special cases and unforeseen circumstances the social security fund proves insufficient, the shortage will be covered from the state budget.

The chamber elected the hitherto judge at the voivodship court in Warsaw Maria Labor-Soroka as judge of the constitutional tribunal. One of the members of this 12-person body, Henryk de Fiumel, died several months ago.

At the end of Sejm's two-day meeting, deputies heard government answers to deputies' numerous questions which dealt with some of the nagging problems. Deputies pointed, among others, to visible worsening of the situation in health service's transportation which has taken place this year and to the critical situation in the production of artificial limbs and other equipment for disabled persons. Some of today's questions dealt with the difficult problem of pharmaceuticals supply.

/9365

CSO: 2020/37

## STRONG DEFENSE FOR CONSTITUTIONAL TRIBUNAL OFFERED

Warsaw PRAWO I ZYCIE in Polish No 29, 19 Jul 86 p 3

[Text] We may be sure not everyone is realizing that in the 1980s Poland is a country in which a new model of legality--to a certain extent an original one as compared to other systems--is now being created. This concerns both the introduction of essential institutions into the stream of public life and into the practice outlined against such a background.

The first weeks of activity of the Constitutional Tribunal are, no doubt, the most spectacular signs of such trends. This seems the more remarkable not just because two cases tried by the Tribunal have ended in the government's setback. There is something much more important: the shaping up of a new system of constitutional control not just over legislative practice but--in an indirect way--over the administrative activities as a whole (since the regulations as enacted are nothing else than the legal gauge of such activities and one of their principal tools for attaining declared goals. Polish standard: from extreme to extreme. When the Constitutional Tribunal was creeping on all fours, many people believed that it would be an organ protecting the deciders' interests rather than genuine judicial causes. Such pessimistic conclusions were, first of all, the outcome of the narrowing--chiefly regarding the suggestions weaving in and out of the discussions--of the circle of parties entitled to present the Tribunal with proposals concerning the compatibility of a bill with the Constitution or of regulations with the relevant laws. When the groundlessness of such apprehensions had been proved by the passage of time, another extreme trend has been heard from: to view the contention before the Tribunal as if it were a government-population ball match. From such a point of view, the two council of ministers' defeats meant--to the mind of people nursing such opinions--a proof of the incompetence of legal services acting within the framework of the office of the council of ministers.

Well, as shown by experience, extreme opinions--when confronted with reality--are seldom fruitful regarding cognizance. Such truism can be clearly seen in the case of the Constitutional Tribunal, for here, there is a conglomerate of very diverse problems owing both to their merits, and to their specific weight.

Broad and complex legislative activities are being conducted by the government. In such circumstances, it is unavoidable to err and stumble, even though it would have been better had they never occurred. Such a stumble—and this should be stated as clearly as it had been done by the Tribunal in its first ruling—consisted in the regulation issued, and governing rents of apartments purchased from the state, and the manner of its being applied in particular. To my mind, the arguments as voiced before the Tribunal by government officials were absolutely beside the point, and the obstinacy displayed was unnecessary, in particular the announcement of the appeal to be lodged to have the case reviewed by the full Tribunal. On the other hand, the second case—against the background of executive regulations under the temperance law—was in point of fact of a formal nature for it was aimed not so much at the material decisions as adopted in such regulations as at the cession—against the letter of the temperance law—by the council of ministers to the minister of internal trade and services of the obligation to define the number and network of liquor stores as well as the failure to have the draft order presented for consultation with the social temperance committee. These very facts had become the basis for the acknowledgment by the Tribunal that there had taken place legal blunders, of which the former must be removed by means of changing the relevant regulations, and the latter—through being publicly denounced, thus constituting a warning for the future.

In both cases, the interesting point was that the petitioners had been joined by the prosecution. This was an essential precedent, duly stressing the independent, autonomous position of the prosecution in the Polish legal system. Also to be noted: the wide range of social bodies and organizations which, in the context of first proceedings before the Tribunal have displayed their active nature, and their stand differing from that of the council of ministers (Wroclaw Voivodship councilmen, the All Polish PRON Executive Council Committee, the social temperance committee). It would seem that, in a way independent of material reasons behind the steps taken by the above organizations, this was in favor of the implementation of their statutory tasks and strengthened their social standing.

Safety devices must not mean tensions. I have started the discussion by the case of the Constitutional Tribunal for, as stated above, its decisions, also owing to the public interest concerned, constitute an especially weighty factor in the shaping up of the new model of legality. Let us however take note that it is not the only one. By the setting up of the Tribunal of State, another important political decision has been implemented, as included in the resolution passed by the IX Party Congress five years ago. For the time being, the Tribunal has not yet found any opportunities to start activities in carrying out the mission it had been entrusted with by the law. Nevertheless, its existence within the legal system governing the state and the population constitutes a safety device, the importance of which may not be overestimated. The same may be said of the changes introduced a few years ago, and by virtue of which the Supreme Chamber of Control had been made independent of the prime minister, and subordinated to the Sejm (Parliament). Also of importance—and in compliance with the law of 31 July 1981 on the control over publications and spectacles—the new position of the censorship agencies, responsible for their activities before the Council of State.

Against such background, the role is very clearly outlined as played by the NSA (Naczelny Sad Administracyjny--Chief Administrative Court), quite often the subject of PRAWO I ZYCIE articles. Active since the fall of 1980, the NSA has tried over 50,000 cases, repealing or declaring null and void about one-third of administrative decisions under its control (more on that subject in the article titled "The Court of fulfilled hopes", PRAWO I ZYCIE No 7/1986). Among the 11 million of administrative decisions issued every year, the 10 to 20 petitions sustained by the NSA do not seem to be a significant index. It must be considered however that every one of them concerned matters of vital importance to citizens, and thus by the NSA jurisprudence, the working of the administration has been tangibly affected.

While being perceived, such improvements are still falling short of expectations. In the report on the NSA activities in 1985 as presented to the Council of State (and accepted by the Council), it was stated, i. a., that "the circumstance that out of every three decisions against which an appeal had been lodged with the NSA, one was showing legal flaws compelling the NSA to sustain the appeal and to overrule the relevant decision or to state its invalidity means that there remains much to be done in the field of administrative activities. Therefore, there must be steady and consistent pressure brought to bear upon administrative cadres in the sense of aid, to and supervision of, their activities. Such state of affairs may also be improved by means of more rigorous review of appeals against decisions issued by lower level agencies. For it keeps being found by the NSA that appeal activities are still insufficiently taken advantage of in correcting faults."

In 1985, the index of appeals sustained by the NSA rose to 32.5 percent (up by 0.7 percent on the year 1984). This is disquieting inasmuch as over the last years, the index was heading downwards (from 451 percent in 1981 down to 31.8 percent in 1984). It may be just a freak; however it might also be a sign of a more general trend that consists in underestimating or even disregarding the NSA jurisprudence. Such conclusions made to a certain extent plausible the impatience displayed--recently as if in a more explicit way--by certain administration circles with the NSA stand concerning a substantial number of problems resolved by decisions, and where the NSA evaluation was diametrically contrary to the official one. One must be surprised by the attempts, here and there, at "excluding" from NSA control certain categories of cases, resistance offered future expansion of their list, or blunt disavowal of the effects of NSA activities through suggesting in public that the NSA was exerting a depressing influence upon the work of administration, and contributing to the lowering of its social prestige and of the degree of responsibility for its own activities. These, and I am not beating about the bush, are very dangerous opinions, in particular when voiced by people who in this manner or otherwise command influence upon the shaping up of legal doctrine. Hence, it would be very bad indeed if they were followed by the deciders' circles (which however does not seem to be the case). At the same time, it is hard to overlook the circumstances that such opinions do find fertile ground chiefly where the ability is wanting self-critically to evaluate one's own activities. For as unfair as kowtowing to the method of



hitting the administration as the proverbial drum at every conceivable occasion is the official self-satisfaction helped by half-baked corrigenda to regulations in force.

Calling for sound laws. In this context, yet another important aspect must be stressed of the shaping up of the model under discussion, namely the quality and practical effectiveness of the laws and regulations in force.

Much as already been written on that subject, and the report on the state of law, recently prepared under the auspices of the Legislative Council enabled one substantially to extend and deepen the social knowledge of the current legal conditions of our state and society. According to Professor Sylwester Zawadzki, Chairman of the Legislative Council, the report's principal conclusion was the need for improving the quality of law in order to enhance its effectiveness ("minimum of law and maximum of effectiveness"). This gives birth to numerous, concrete postulates concerning legislative practice or the legislative activities in general.

The report had taken the stand that the current opinions concerning the inflation of lawmaking were not correct regarding the bills enacted by the Sejm (1,900 laws and decrees over the last 40 years, and 203 during the last term), such inflation however, was an undeniable fact with regard to executive decisions. At present, there are almost 11,000 ministry regulations in force, and while compared with nearly 90,000 in the early 70's it may be considered encouraging, it is still excessive. The most important matter however is not the quantity but, first and foremost, the quality of the relevant laws and regulations, often leaving much to be desired.

Also the need for cutting the Gordian knot becomes ever clearer, having for years been left unresolved by legal doctrine followed by practice, namely the so-called autonomous resolutions passed by the council of ministers without any legal grounds whatsoever (this also concerns particular ministers' general decisions). In its jurisprudence, the NSA from the very outset adopted the principle to the effect that decrees of such description may not be considered adequate grounds for legal decisions because "such grounds may exclusively consist of general law provisions, and so (...) those contained in legislative acts issued on the basis of clear lawmaking authority, and kept within its limits" (from the NSA information supplied to the Council of State).

In this respect, the entire matter concerns decisions burdening the recipients with duties or granting them rights. The problem however is much wider for it frequently concerns constitutional practice in general. In pointing to this question, Professor Kazimierz Działocha (who in preparing the report on the state of law was representing the Legislative Council when heading the constitutional law team) wrote in volume XXIV of the Nicholas Copernicus University publication titled "Acta Universitatis [sic] Nicolai Copernici" that any legal grounds for the so-called council of ministers' autonomous resolutions were being sought in constitutional provisions ruling the extent of government activities "and, hence, they were considered typical acts of autonomous application of the Constitution", however with the passage of time "the matter of their admissibility had become very controversial in the Polish



juridical science". In this context, the author underlined the extremely important role played precisely by the Constitutional Tribunal, the functioning of which--in addition to aims and tasks as discussed above--"will be (...) meaningful, first of all, for the process of autonomous application of the Constitution by means of general and abstract acts. The Constitutional Tribunal decisions--according to K. Dzialocha--will consist not only in repealing non-constitutional acts, including laws but in the interpretations of Constitution provisions, endowing them with stated, concrete meaning, and thus preventing their being treated as hollow declarations that may be given discretionary political sense. By such decisions, the Constitution can acquire the nature of an act alive, bringing legal effects about, and evidently delineating the directions of the activities of state agencies and of citizens".

Thus, willy nilly, and after going round a huge circle, we are back to the Constitutional Tribunal which, among law enforcement agencies and institutions--from the viewpoint of construction and consolidation of the new-type model of legality--has a special role to play. The nearest future will bring the answer to the question whether the endeavors in connection with the shaping up of that model will materialize in social life.

Marek Rymuszko

5174/13104

CSO: 2600/146

## SOCIOLOGIST RECALLS PAST, VIEWS YOUTH SITUATION

Warsaw RADAR in Polish No 24, 12 Jun 86 pp 4-6

[Interview granted Ewa Kacprzycka by Professor Wladyslaw Markiewicz]

[Text] [Ewa Kacprzycka] "Your young years were under the sign of war. In your curriculum vitae, there are paragraphs on penal servitude, Gestapo prison, concentration camp, Polish armed forces in the West. It was not until 1947 that you returned to Poland. How does such experience affect the character of a young man?"

[Professor Wladyslaw Markiewicz] "The war experiences of all my coevals shaped up in a variety of ways. This is reflected in the roads taken later on by our lives, how differentiated regarding the choice of professional careers, ideological-political preferences and world view options, the apparent similarity of our fates notwithstanding. To illustrate it, I could supply tens or even hundreds of examples but will confine myself to one: in the circle of my closest friends, concentration camp inmates, I was no doubt the most religious one and with dread, I was discovering that while some of them were indifferent to religion, others were altogether hostile thereto. Under the influence of what we had been through at the camp, there has occurred a perfect medley of attitudes. Former churchgoers had become militant atheists while the Godless changed into meek worshipers. However what, deep inside, was bringing us closer together was the feeling of friendship, inseparable from full tolerance, and infallible readiness for mutual support and aid. And this has remained unchanged, even though fortunately it is only seldom that we now have to go through dire trials".

[Question] "What were the factors that resulted in your being the man you are, and not someone else? Upon your personality, whose influence was the strongest—mother's, father's, teacher's?"

[Answer] "I am absolutely sure that it is to my mother that I am indebted for the love of my fatherland. Her longing for Poland was almost an obsession when we were emigres in France. This is why, when the majority of my concentration camp buddies decided not to return to Poland, I have never considered it for a minute. If anything, I was thinking about when to return. I welcomed the opportunity for visiting foreign, interesting countries but could not imagine life as an emigre. At the outset, my father had no

influence upon myself, at any rate in the sense of my sharing his opinions. As against my mother whose principle read: 'Poland is our mother--one does not speak ill of one's mother', father shocked me by his critical attitude towards a Poland governed by bourgeois whom he called 'fatties'. He accused them of being unable to govern the country properly, and that this was why he had to leave for France.

"It was only years later that I realized how much wiser was my father, a simple coalminer, a disabled World War I veteran, a drudge throughout his life than I, a senior high school student, nicknamed 'undergraduate' or 'scientist' by our proletarian friends. Among my teachers, I owe most to Jan Karge who lectured on Polish philology. He imbued me with the love of books and the cult of knowledge, and made it possible for me to continue studying at the senior high school through entrusting me with paid tutoring. He died at Mauthausen-Gusen camp. I keep asking myself: are there still such teachers in the world?"

[Question] "How were your political opinions shaping up? Back in Poland, you have at once joined the student organization and, a year later--the PPR [Polska Partia Robotnicza--Polish Workers Party, World War II]. What made you declare yourself so soon for the young party and the new government?"

[Answer] "It was at high school that my interest in matters political made its appearance. In the students' ideological-political discussions, my attitude was, I might say, one of a state builder. This means I was declaring myself neither for Pilsudski's Sanacja party nor for the pre-war national democracy but considered the Left unpatriotic even through my father's pro-communist sympathies were no secret to me. I was closest to Pan-slavic ideas, of course in their Messianic version according to which Poland was to lead her neighbors. I was shocked by inter-party strife. I considered the organic work concept salutary for Poland as it was supposed to unite all the classes and layers of the nation. Such attitude had been rather strengthened by September 1939 defeat and by the way Poland was living under occupation. My spiritual guide was Stefan Zeromski with his 'insatiable heart' and his unshaken faith that people like Doctor Judym could save my country and make it happy.

Even since my youngest years, my feelings have been very strong about the vision of Poland's return to Piast lands, and that was due to my mother who before the war had spent a few years in then German Wroclaw. My feelings had been deepened by the books written by (Melchior) Wankowicz and Jozef Kisielewski. I was sharply affected by Jozef Chalasiński's 'Peasants' Diaries'. I read them after leaving the camp, and then going from Italy to England. This was my ideological luggage or burden when facing the political reality of People's Poland. What I knew about the new Poland while in the II Corps boiled down to clinches disseminated by London propaganda: Poland was governed by Jew-communist, the system had been forced upon our nation by the Soviets, any opposition to the 'land of the white bear'. This being the situation, all that remained was to wait for the inevitable armed conflict between the Western allies and Russia, and to prepare for the invasion by the allies as saviors of my country from the Muscovite yoke. Such hopes were

dashed by the U.S.A.'s and Great Britain's recognition of the Interim National Unity Government, and by the windup of the Polish Armed Forces in the West that followed. There was just the practical dilemma: whether to return to Poland and wait till the Anglo Saxon powers grow wiser or whether to remain abroad in order to remind the world public opinion of the betrayal of Poland by the Western states.

My decision to return to Poland had been settled when after two years I got in touch with my family. My father was no longer alive. The remaining relatives and the majority of my friends had survived the war and—which was the first surprise compelling me to rethink the London stereotypes—all of them were studying or working, and better off than ever before. All of them were persuading me that studies—my youth's dream—would be no problem. It was rather important that nobody was in any way insisting. Stanislaw, my kid brother was the wisest of them all. In addition to long letters, he was mailing to me in England dailies and periodicals of all political trends and nuances. As for himself, he had already joined the PPR. At the time of my return to Poland, I was already well aware of what was going on there. The people closest to me were extremely politicized, the majority had joined the PPR or the PPS (Polska Partia Socjalistyczna). Deciding to take part in political life, I joined the student's AZWM (Akademicki Związek Walki Młodych—Student Youth Fighting Association). There were not many of us at Poznan University but we were very active indeed. Particular ideological-political organizations at academic schools were considered particular political parties' youth associations, and so my joining the PPR was the logical upshot of my AZWM membership."

[Question] "What is your judgment of your life right now?"

[Answer] "Summing up my experience from the viewpoint of a man nearing the end of his life on earth, I must reach the conclusion that life had given me more happiness and reasons for satisfaction than I could have expected. I think my choices have been the right ones."

[Question] "Can your life story become a pattern for young men whose lives are commonplace and alike: I was born, was going to school, graduated from....What is the young generation's attitude regarding the interesting life stories of people of your own generation? It is full of envy and admiration or otherwise of disdain for yours having been barren deeds?"

[Answer] "The generation of heirs should learn from its predecessors but not, God forbid, take them for their example in an uncritical manner. I am sure young people's attitudes towards individuals of my kind are anything but uniform. I am however worried by the cases of sons' and daughters' indifference to what their fathers had gone through and to their feats for this is a proof of thoughtlessness and lack of moral sensitivity. I think the epithet of failure is the lesser evil for at least it makes discussion possible.

I do not believe in trite biographies, and there are just no identical ones. Let us look at the earliest group of coevals; starting with kindergarten boys

and girls, we will see that there are no standard individuals to be found there. The tendency to uniformize the way of thinking and behaving, the educator's attitude in favor of the average nature is the curse of the modern education system. It is only when one has grandchildren and is able to dedicate to them more time than once to sons and daughters of his own that one realizes that over every human being there is hovering the spirit of genius. We should help it or at least not stand in its way".

[Question] "In your capacity as sociologist, you have a vast knowledge of our society. How do you see our young people? How are you viewing their system of values, their desires, ideals?"

[Answer] "Up to now, the findings of research into youth problems have been evaluated sceptically enough, for all the attempts to use them as a basis for arranging a synthetic picture of today's youth have proved delusive. In the early postwar years, young people were defined as the sceptical generation. This was supposed to reflect their dislike of committing themselves to socio-political activities. And precisely when such an opinion had become axiomatic, there came the student riots. And suddenly, there occurred a seemingly thorough overthrow of the values and attitudes of youth: from docile and incapacitated, it had become a political force called destructive by some, or salutary as erroneously believed by other moralists. The 'young man' had become the synonym of an aggressive militant, or in extreme cases, of a terrorist. In our thinking about youth, it is high time to get rid of that dichotomy according to which we have, in turn, either a splendid youth or a lost generation. However, among the young, just like in adult society, there emerge various ideas, hopes and cravings articulated in a particular way and with varying strength depending on the circumstances provided by the position of the nation and of the state, depending, in turn, on the international situation".

[Question] "What are the new phenomena the sociologists are taking note of in the field of our people's political culture?"

[Answer] "I share the opinion of my colleagues who believe that the progress made by realism in evaluating the economic-political phenomena in the attitudes of our people, including youth, is an encouraging sign. This certainly does not mean that we have abandoned our propensity to perceive our national and state interests and development romantically in the sense of the "power is measured by intentions" aphorism. There is the adverse feature of our political culture in the form of parochialism and particularism in the way we are looking at our own existential matters and of the dislike of global thinking".

[Question] "To what extent is the character of our young people determined by the Poles' national character? Is there a clear mechanism of inheriting national features?"

[Answer] "We are absolutely certain that what we used to call national character does not exist at all. At the same time, as correctly pointed out by Jerzy Szacki, even in scientific analyses can we do without that term? As



a nation, we do differ from other nations, frequently we even exaggerate in stressing that otherness, seeing it where in fact there is none. What makes a nation differ from other nations is its historically shaped up culture, common to all fellow-countrymen, the values of which are handed down from generation to generation in the processes of mutual reactions, of living together, of upbringing and indoctrination. The psycho-social mechanism of inheriting national features has never been cognized with precision, and I suppose never will be, and so almost every generation, in particular at turning points, again and again poses the question: 'Who are we as a nation, and what can we afford?'. Beware of two attitudes: self-admiration having jingoism for its extreme form, and inferiority complex, consisting in the loss of faith in one's own nation, and in servility regarding strangers. While we are very sensitive concerning the preservation of our national identity, we should certainly avoid such extremes, bearing in mind Stanislaw Pigon's warning: 'Polishness means not only sublimeness but vulgarity as well, painful littleness, and not seldom baseness'".

[Question] "Having for years chaired the 'Poland 2000' research and prognosis committee, how are you viewing Poland's future? Can the youth be ravished by such vision?".

[Answer] "The people of today are bringing Poland into the XXIst century and, who knows, they may have been late in realizing it. In their thoughts, young people should go as far as possible beyond the symbolic year 2000. We should be shaping up a man-citizen capable of global thinking and perceiving the more general conditions and aspects in the course of processes and phenomena in our Polish village. Since the time we had become fed up with comparing People's Poland's achievements with the poverty of prewar Poland, we now indulge in comparing our poor social welfare standards with the very high ones in the world's most developed countries, and doing it in a way that truly starts reminding one of masochistic practices. The statistical Polish tourist, opening wide his eyes at the western horn of plenty, curses the hostile fate causing Poland to be so poorly governed, lamenting his being a victim of the ineptitude of others and as aptly defined by someone, comes close to the folly of self-absement. Seldom however will he give his thoughts to the real, deeply rooted in history, reasons behind such state of affairs, and particularly to the fact that, when all is said and done, all the goods meeting a man's needs are produced by toil alone. Poland's future--and we have for years been repeating it at every opportunity--depends on whether we learn to do productive work, and this to the same extent depends on the deciders, responsible for the planning and organization, and on the integrity of every one of us in doing his everyday duty. One is quite ashamed and deeply distressed when seeing that such obvious truths have not yet been accepted by our nation which has presented the world with forerunners of scientific organization of work, and with Tadeusz Kotarbinski, the inventor of the idea of good work, and whose 10th birthday anniversary we are now commemorating".

[Question] "In one of your interviews, you have said that in the process of educating the young generation, an important role is played by models. What authorities would you suggest our young people should accept?".

[Answer] "It is no revelation to say that in the process of political and civic socialization, great importance must be attributed to models and authorities. This is a practice alive since times immemorial. In speaking on that subject—as far as I remember in the interview granted Poznan WPROST, I have warned against over-eager subordination to short-sighted aims, to creating authorities and shuffling them like a pack of cards. I have quoted the example of my native Poznan City where at the turn of the '40's, street names were being changed overnight, as e.g. Limanowski, Daszynski and Niedzialkowski streets had become Rutkowski, Engel and Kniewski and—what even from the point of view of the doctrine in force called for the wrath of heaven, the Jan Kenryk Dabrowski Street was rebaptized Jaroslaw Dabrowski Street. Such happenings were rather general, and I am sure Poznan was not the most zealous city in this respect. Being thus brought to public attention, and then removed in a clandestine way, authorities instead of being an example are causing loss of orientation. One should be very cautious when entering well-deserving people and glorious moments in the record of national heroes or the list of historical events worthy of being forever remembered. This warning to an even greater extent applies to school handbooks, encyclopaedias and song books as well as to the construction of monuments. History is the most competent, even though sometimes deceitful arbitrator in resolving the problem who should be placed on the pedestal of national glory. History must be allowed time enough to impose a just sentence".

[Question] "Could you answer young people posing the inevitable question: 'how to live in order not to be compelled later on to consider one's own life wasted?'".

[Answer] "Finding one's place in the world is decided by the capacity and knowledge of perceiving what the world is about, what are the forces carving its visage, in what direction should its mass be given a push in order to ensure mankind's prosperous future in accordance with the principle: 'The happiness of all is everyone's aim'. The curiosity concerning the world, and the irresistible desire to perceive it in all its natural and social phenomena and dimensions, on the micro- and macro-scales, linked to the will to improve all that surrounds us—this is the right prescription for a fair and satisfactory life. Such premise may be criticized on grounds of its being too general and too florid. I do admit it would be hard to translate it into the idiom of concrete recommendations in the form of a code of practical conduct, handy in all the circumstances of our lives. However, it is difficult to avoid grandiloquent expressions when speaking of values deserving acceptance.

Personally, it is in the socialist ideology that I am finding a system of intellectual and ethical values meeting the humanist exigencies; moreover, owing to the failings of human nature, it is not easily applied to humdrum life, however perfectly realizable, step by step. At any rate, solely through socialism can the desirable vision of mankind, following the commandments of equality, social justice and general friendliness become flesh and blood".

5174/13104  
CSO: 2600/146

## CATHOLIC PRIEST VIEWS DIALOGUE WITH MARXISM

AU290535 Moscow TYGODNIK POWSZECHNY in Polish No 35, 16 Nov 86 pp 1, 2

[Father Jozef Tischner article: "Dialogue Over the Bed of the Patient"]

[Excerpts] Does dialogue between the Catholics and the communists make any sense? He who asks such a question has many doubts about this issue. It is common knowledge, he may say, that the communists want nothing less than power. When a communist proposes dialogue to a Catholic, he does so only in order to make the Catholic support the communist throne. If the Catholic refuses, he may be accused of sympathizing with counterrevolution, and in such a case the only dialogue that awaits him is the dialogue of interrogation. A communist can also advance similar arguments against a Catholic. A believing Catholic, he may say, cannot help being an apostle of his faith. Is he able to come to terms with the fact that he lives side by side with someone who does not believe in God and refuses to see Christ as the savior of the world?

The logic of these arguments is irrefutable and their outcome would be equally irrefutable if such communists and such Catholics did live among us. But where can you find them nowadays? Perhaps they did exist at one time, but now? The world is clearly going to the dogs.

We should bear in mind that in the countries of so-called real socialism a third-line dialogue is still in existence. This is not the dialogue between the "authorized representatives" of the two streams, but the dialogue between entire communities, peoples, and social groups who discharge their daily duties within the given system of work. Such dialogue continues to be held everywhere--in plants, schools, homes, and railway trains and in lines for meat. Living and working side by side, we keep on talking with one another and trying to cure our sick reality as best we can. However, the paradox of the situation is found in the fact that this dialogue, which has been brought into being by life itself, is unable to emerge into the full glare of public opinion so that everyone can listen to it and learn valuable lessons from it. The differences between the planned dialogue of "representatives" and the elementary dialogue of the "grassroots" is that the "grassroots" say nothing or almost nothing about the conditions of dialogue, which they no more than merely continue, while those at the "top" talk a lot about conditions and little about crucial issues.

As we no doubt know, representatives of the Marxist philosophy and representatives of the Catholic Church engaged in a dialogue on the subject of "Society and Moral Values" in Budapest on 8-10 October. Let us attempt to make a brief summary of this dialogue because a detailed report on it would constitute indiscretion since it was a closed meeting. However, since general observations are not inadmissible, let us ponder on how the method of dialogue has changed, what accents dominate, and what promises it holds.

We will ask three questions: Who did engage in dialogue? What was it about? What is the use of it?

The first question: Observing, at one time, attempts at dialogue between Marxists and Catholics, we noted that Marxists and Catholics called themselves either the "we" or the "you" side. It seemed as if there were only collective persons in the Catholic-Marxist dialogue. Every participant in it thought that he represented some secret force, which continued to speak through his tongue. This situation seems to have disappeared because now participants speak primarily in their own name. Of course, they do not deny their affiliation with certain trends, but this does not prevent them from using the "I" and the "you." "I speak to you and you speak to me." "I" continues to recover a sense of responsibility and identity and to acquire the necessary distance between the adversaries of its own philosophy and its adherents. "I" wants to serve the truth, to have the right to verify things, and to hand over to others the knowledge that has been critically verified.

What was the dialogue about? Our societies are sick. At one time, only capitalist societies were supposed to be sick, but today it is being said that diseases have also spread to the societies of so-called real socialism. We are now allowed to speak of this and we should. This is great progress. But what are our diseases? The Marxists speak primarily of the disease of armaments and of the absence of commitment and the Catholics speak of the decline of morality, especially of work morals.

Everyone agrees that people want to live in peace, but as soon as this has been achieved, state problems begin to emerge. Is the concept of "holy war" still valid? Is it only Islam that professes such a war? Does civil war justify the use of nuclear weapons? Does the Marxist concept of class warfare violate the principles of peace? Is the idea of the "export of revolution" a Marxist idea? May a Marxist proclaim the theory of a limited sovereignty of states?

What about other issues? May a Catholic "commit himself actively" to the so-called historical process of socialist construction? And if he may, why is it that he is still on the sidelines, rather far away from this construction? If this is not true of all Catholics, it is certainly true of many. It is obvious that at one time Catholics and Marxists fought side by side against fascism, but today? Today Catholics would like to know the meaning of the "dictatorship of the proletariat."



What is the meaning of "proletariat"? Where are the limits of the freedom of conscience? And what is the real meaning of "socialist construction"? Does it mean that one has to do his normal duty or is one supposed to do more, to make, say, some declarations and to belong to some organization? Something new: What would happen if one could build socialism better than the communists? Or is it that only they have the monopoly to build it?

The issue to work is a new chapter of dialogue. Although no one questions the achievements of socialism in humanizing work, no one claims that we should rest on our laurels. We have switched from examining the capitalist pathology of work to pondering our own ills, the chief of which is stagnation. Today, we have not the slightest doubt the forces that hinder progress of work are stronger than the forces favoring this progress. Why is this so? Is this the fault of the people who work badly in a good system of work or is it the fault of the organization of work, which punishes those whose performance is above average? Have these ways produced favorable results? Instead of favoring the development of capital, are not these ways a form of struggle against capital? Are they not responsible for creating headless work organisms?

It is also necessary to take a closer look at the nature of the societies that develop out of the new system of work. Why do these systems fail to boost one's sense of responsibility for one's work? And the basic issue of work ethics: If work is of such a great value for man, how is it possible to use it as punishment in labor camps? What do Marxists think of this?

All these questions were asked or were hinted at in Budapest. It is obvious that it was impossible to expatiate on them, but the fact that they were asked is significant enough, although some other feature seems to be even more significant. By asking these and similar questions, one had to invoke common values and notions, some common ethical traditions, a common vocabulary, humanism, and personalism. The dialogue in question bestowed particularly binding validity on these traditions. In any case, the two sides expressed the conviction that ethics are the force without which it is impossible to cure any social disease. This amounted to pushing not only economics, but also politics to the sidelines.

Let us not ask who had to cover more ground to agree with this assertion.

Why dialogue? Dialogue is neither a confession nor an interrogation. It is an attempt to talk in the presence of the patient. Perhaps a few words about him.

Some year ago I held holy masses in Krakow for children of preschool age. During these masses I just tried to talk with these children about things in the Gospel. On one particular day, which was May Day, that is, Labor Day, and the day of St Joseph, the patron of labor, a foster mother in the state nursery told the children about the significance of Labor Day in line with the curriculum in force. As for the Catholic Church, we laid stress on the religious significance of May Day. I asked the children attending my



mass whether they knew who the patron of human labor was. A 5-year old girl thought for a while and then replied in triumph: "St Gieriek?" At that time Edward Gieriek was the first secretary of the PAPR. The adults in the church burst out laughing, but the little girl did not know why and was very embarrassed. This incident was only apparently funny and was a small example of "grassroots" dialogue. But what will the future be? Will this girl, when grown up, reject her faith in the party and retain her faith in religion? Perhaps she will reject both faiths. In any case, we will be responsible for whatever happens.

Once again: "Why dialogue? Its purpose is to cure oneself while curing a sick society. However, it is also necessary to decide what we need more in this connection--arguments or medicines?

That is why we also need dialogue about the conditions of dialogue. It is true that the "grassroots" social dialogue exists in one way or another and will exist. It is also true that this dialogue knows of no prohibited topics and views and that no diseases are hidden from it. However, if that which is the subject of this kind of dialogue cannot be made public, is made public in insignificant dribs and drabs, or assumes the form of a fake dialogue, then we know this dialogue is really incapable of invading public life. In such a case we can say that we still live in a dual world, in which some peoples are thrown to the mercies of an increasingly grotesque fate and some continue to mercilessly rail at the fate and its victims. The dual dialogue condemns people to living dual lives and allows no one to identify himself with this kind of society.

The Budapest dialogue has inspired us with cautious optimism, but this optimism has produced a crucial obligation: We must once again address and thoroughly consider the conditions of an honest dialogue. A new dialogue, about dialogue, is the necessity of the time.

/9738

CSO: 2600/245

## LEBANON'S GRAND MUFTI CONCLUDES VISIT, TALKS

LD132313 Warsaw PAP in English 1806 GMT 13 Dec 86

[Text] Warsaw, Dec. 13--Grand mufti of the Lebanon, Shaykh Hasan Khalid wound up his visit to Poland, paid at the invitation of the Muslim Religious Union in Poland.

At a press conference here today, the grand mufti voiced thanks for the Polish authorities for assistance and support in the Lebanese people's struggle for stabilization and normalization in their country.

During his stay in Poland, Hasan Khalid called on Muslim communes in Warsaw, Gdansk, and Bialystok, where mosques are to be erected. He acquainted himself with religious life and activities of the Muslim Religious Union in Poland.

He was received by Chairman of the Christian Social Association Chss Kazimierz Morawski, held talks with Minister Adam Lopatka, head of the Office for Religious Affairs, and held talks with leading officials at the Foreign Ministry. He also met with suffragan of the Warsaw Archdiocese, Vice President of the Polish Episcopate Commission for Ecumenical Affairs Bishop Wladyslaw Miziolek. While holding these talks, the Lebanese guest was accompanied by the Lebanese Premier's Advisory 'Umar al-Musayki and President of the Muslim Religious Union in Poland Stefan Mucharski.

/9365

CSO: 2020/37

## RAKOWSKI, SPD'S VOGEL SPEAK AT AUSCHWITZ RITE

LD072216 Warsaw PAP in English 2045 GMT 7 Dec 86

[Excerpt] Warsaw, Dec 7--An international youth meeting house opened outside the wartime Nazi death camp Auschwitz-Birkenau today in a joint initiative by the FRG's and West Berlin's "Action of the Signs of ATONEMENT I Service to Peace" [title as received] and Poland's war veterans' organization Zbowid.

The opening ceremony, attended by deputy speaker of the Polish Parliament Mieczyslaw F. Rakowski and Bundestag Vice President Heinz Westphal, brought together also FRG Minister for Youth, Family, and Health Affairs Rita Suessmuth, SPD parliamentary leader Hans Jochen Vogel, and General Secretary of the International Auschwitz Committee Maurice Goldstein.

The ceremony heard a message from FRG President Richard von Weizsaecker, which noted inter alia that for Germans, Nazi crimes had changed the name Auschwitz into a warning monument that brings to mind the darkest chapters of their history.

The FRG delegation laid wreaths and flowers at the infamous death wall at the camp and the international monument to the victims of Nazism at Brzezinka.

Addressing the ceremony, Mieczyslaw F. Rakowski said it was the duty of the alive to keep up and preserve the cruel truth about Auschwitz so that even after a century no-one dared to erase it from the memory of nations.

"We must leave to next generations the truth that Auschwitz had been no incident on a way, but a well-prepared work born out of a criminal ideology that had had at its roots the assumption of the alleged Germanic racial superiority. There is and can be no eased treatment of the ideology and practice of fascism," he said.

Referring to the December 7, 1970 treaty between Poland and the FRG on the basics of normalization of mutual relations, which led to the final recognition of the present Polish Western border on the Odra and Nysa Rivers, Rakowski said that only owing to this further efforts in the building of confidence bridges are possible.

"Always and everywhere shall we loudly protest anyone who would have the courage to enter the road of erasing the traces of devastation caused by Nazi Germany," he said.

"Always and everywhere shall we fight any attempt to correct or whitewash that past which during the years of the Third Reich had been shaped by Adolf Hitler and his aides. We are obligated to this by the victims of Auschwitz and Birkenau," he added.

Addressing the ceremony, Hans Jochen Vogel expressed hope that the Auschwitz centre would become an important step in the efforts for further normalization of relations and rapprochement between Poland and the Federal Republic.

The leader of the opposition Social Democrats in the Bundestag said he was sure that young Germans would leave behind the "ever yesterday's" ones who are trying to again question the final political validity of the borders. Our stand on the borders is unequivocal, Vogel said.

/9365

CSO: 2020/37

## PZPR POLITBURO DISCUSSES FILM INDUSTRY

LD130252 Warsaw PAP in English 2252 GMT 12 Dec 86

[Text] Warsaw, Dec. 12—The PUWP CC Political Bureau today examined a draft reform of programming and management of the Polish film industry.

Work on the reform was undertaken in the wake of the party's tenth Congress resolution which criticised the condition of the Polish movie sector, in a situation in which the role of film in modern culture is growing and there is widespread desire for a change in the existing state of affairs.

Demand for movies is clearly growing, as is their influence on the viewer. Technical evolution of audio-visual equipment has made the film one of the prime factors shaping modern culture, but also, more and more an area of ideological and political confrontation, the bureau said.

Appreciating the 40 years of work of the Polish Film industry, the Bureau stressed the need for active efforts to raise the standard of the film-making, both in terms of message and artistic values, and increase the number of films of high humanist and cultural value, and high quality.

It said the bill on the film industry, which has evolved in a process of broad consultations in the film-making milieu and won overall acceptance, provides for establishment of a committee for the film-industry within the Culture and Arts Ministry.

As a central administration body, the committee will be endowed with powers allowing efficient management, and will at the same time serve as a forum of socialization of decision-making, this putting increased responsibility on film-industry workers, and especially the film-makers.

The bill provides for a major restructurization of the film-industry, including changing most of the sector's enterprises into film-making institutions which, retaining the self-management powers of the employees, will assure the priority of cultural tasks of the film-industry.

Film-making teams are to remain an important link in the structure, obtaining greater freedom, but also becoming more responsible for their programmes and artistic and economic results.



The bureau examined the plan of updating the technical basis of the film-industry, calling for thorough care for the young generation of artists.

Much attention went to development of the video-industry. Necessary technical conditions are already being planned, including production of a Polish VCR and video-cassettes as well as early starting of a network of video-clubs, especially in communities with no movie theatres, and assuring them valuable programmes.

The bureau called for legal regulations governing the circulation of videotapes, related inter alia to copyright protection. It also specified the tasks of party authorities of whom took active part in the meeting.

The bureau examined the state of preparations for the third plenum of the Central Committee and approved the materials presented.

/9365

CSO: 2020/37

## BRIEFS

ENVOY TO SPAIN RECEIVED--Madrid, Nov 27--Ambassador of Poland to Spain Marian Renke today paid his credentials to King Juan Carlos the First. Next, the Polish ambassador was received by the king at a private audience. [Text] [Warsaw PAP in English 2103 GMT 27 Nov 86 LD] /9365

HIROHITO RECEIVES OUTGOING ENVOY--Tokyo, Nov 27--Emperor of Japan Hirohito received in a special farewell audience Polish Ambassador Wojciech Chabasinski winding up his diplomatic mission to that country. The Polish ambassador was also received by successor to the Japanese throne, Prince Akihito and his wife. [Text] [Warsaw PAP in English 1501 GMT 27 Nov LD] /9365

OUTGOING IRISH AMBASSADOR RECEIVED--Warsaw, Nov 25--Polish Minister of Foreign Affairs Marian Orzechowski received today Ambassador of Ireland to Poland Gearoid O'Brien, who paid a farewell visit in connection with the end of his mission to Poland. [Text] [Warsaw PAP in English 2233 GMT 25 Nov 86 LD] /9365

CANADIAN ENVOY PRESENTS CREDENTIALS--Warsaw, Nov 25--Vice President of the Council of State Kazimierz Barcikowski received here today at an audience Ambassador of Canada to Poland Eric Bergbusch who presented his credentials. Next, Ambassador Bergbusch was received at a private audience by the vice president. [Text] [Warsaw PAP in English 1828 GMT 25 Nov 86 LD] /9365

SPANISH AMBASSADOR PRESENTS CREDENTIALS--Warsaw, Nov 25--Vice President of the Council of State Kazimierz Barcikowski received here today at an audience Ambassador of the Italian Republic to Poland Paolo Galli who presented his credentials. Next, Ambassador Galli was received at a private audience by the vice president. [Text] [Warsaw PAP in English 2003 GMT 25 Nov 86 LD] /9365

DECEMBER 1970 EVENTS MARKED--Warsaw, Dec 17--Representatives of the Szczecin-based Adolf Warski shipyard PZPR Committee, worker council, PRON council, youth and social organizations, and delegations from individual departments laid flowers on the commemorative plaque in front of the shipyard today on the 16th anniversary of the December 1970 events. [Text] [Warsaw PAP in English 1305 GMT 17 Dec 86] /9365

FRENCH COMMUNISTS MEET BEDNARSKI--Warsaw, Dec 8--A study group of the Central Committee of the French Communist Party (PCF) led by Jean Wloss [spelling as received] head of the PCF CC Department for Elections and Local Communities

is currently visiting Poland. The guests are getting acquainted with the activity of political institutions and the functioning of Poland's political system. Today, the group was received by PUWP CC Secretary Henryk Bednarski. [Text] [Warsaw PAP in English 2302 GMT 8 Dec 86] /9365

CONDOLENCE MESSAGE TO BULGARIA--Warsaw, Dec 15--Poland's chairman of the Council of Ministers Zbigniew Messner sent a message of condolence to Chairman of the Council of Ministers of Bulgaria Georgi Atanasov in connection with tragic consequences of the earthquake in that country. [Text] [Warsaw PAP in English 2310 GMT 15 Dec 86] /9365

CONDOLENCE CABLE TO GDR--Warsaw, Dec 15--In connection with a tragic air crash near Berlin, Poland's chairman of the Council of Ministers Zbigniew Messner sent a message of condolence to Chairman of the Council of Ministers of the GDR Willi Stoph. [Text] [Warsaw PAP in English 2308 GMT 15 Dec 86] /9365

MESSNER AT KATOWICE PZPR MEETING--Warsaw, Dec 10--The PUWP organization at the industry department of the Economic Academy in Katowice held a report-election meeting today. The meeting was attended by PUWP CC Political Bureau member, chairman of the Council of Ministers Zbigniew Messner who is a member of that organization. [Text] [Warsaw PAP in English 2040 GMT 10 Dec 86] /9365

SD, GDR COUNTERPARTS MEET--Warsaw, Dec 11--A delegation of the Central Board of the GDR Liberal Democratic Party of Germany (LDPD) led by its chairman, deputy president of the GDR Council of State Manfred Gerlach, visited Warsaw today. One of the results of the visit has been expansion of close cooperation between Poland's Democratic Party [SD] and the LDPD. Today's meeting between the secretariats of both parties, chaired by Democratic Party leader Tadeusz W. Mlynczak and Manfred Gerlach, summed up hitherto cooperation and discussed its forms for next year. Gerlach was also received by member of the PUWP CC Political Bureau, CC Secretary Jan Glowczyk. [Text] [Warsaw PAP in English 2232 GMT 11 Dec 86] /9365

ITALIAN AMBASSADOR PRESENTS CREDENTIALS--Warsaw, Nov 25--Vice president of the Council of State Barcikowski received here today at an audience Ambassador of the Italian Republic to Poland Paolo Galli who presented his credentials. Next, Ambassador Galli was received at a private audience by the vice president. [Text] [Warsaw PAP in English 2003 GMT 25 Nov 86]

CSO: 2020/37

## CONTINUED RISE IN ILLEGITIMATE BIRTHS

West Berlin IWE TAGESDIENST in German No 180, 20 Nov 86 p 3

[Article datelined IWE Berlin 20 Nov 86: "40 Percent of First-born GDR Children Are Illegitimate"]

[Text] Approximately 40 percent of first-born children in the GDR are the offspring of unwed mothers: in East Berlin, the percentage is even higher, stated the social gynecologist, Prof Anita Weissbach-Rieger, of East Berlin's Charite Hospital. Leaving the sequence of birth out of account, fully every third GDR baby born in 1984 was illegitimate (77,000 out of 229,000, including stillborns). In 1973, the proportion of illegitimate children was about 15 percent; since then, with slight fluctuations, it has consistently risen. Most single mothers do not live alone, however, but cohabit with the child's father. The initial suspicion that the generous socio-political regulations for single mothers were being exploited by these women has not been confirmed, according to the scientist. Obvious material considerations scarcely played any part in this context, she said. The young people were merely allowing themselves a kind of test period during which they insisted upon realizing their desire to have a child.

Polls by the Leipzig Central Institute for Juvenile Research have shown that many of the stable partnerships culminate in a marriage as soon as the couple's child enters school. Of course, even these relationships are not immune to breakups: just as many partners without a marriage license split up as there are young married people going into divorce court. The main problem for these young people in particular was designated by the professor as the "inability to agree on the organization of everyday family life."

According to their own statements, most young families in the GDR want a sibling for their first-born child, but they think they will not be able to manage family life, housekeeping, professional, and social obligations with more than two children. In fact, almost all women with three or more children stop doing shift work: they also have problems getting certified in their profession and in taking over managerial functions. Investigations indicate that harmony between the partners is of decisive importance in family size. The better the partners get along, the stronger their desire for a large family. Families with a large number of children are found at all social levels in the GDR, among workers and among members of the "intelligentsia": the level of education is not a deciding factor.

## BRIEFS

ECONOMIST, ENGINEER SHORTAGE ADDRESSED--So that the national economy's great need for engineers and economists can be met, the GDR universities and technical colleges are to train more eligible people through correspondence courses and night school. That is provided for in a plan from East Berlin's Ministry for University and Technical School Affairs. According to the deputy minister for University and Technical School Affairs, Siegfried Schwanke, combines and institutions are to be "charged" with designating a specific number of workers for correspondence study. Schwanke claims that more than 40,000 engineers and economists have been trained in the GDR through correspondence courses since 1971. Of the 39,500 engineering students at GDR technical institutions, almost 10 percent were enrolled as correspondence students in the 1984-1985 academic year: that corresponds rather closely to the proportion of correspondence students in the total student population. In contrast, almost one quarter of the nearly 17,000 economics students are in correspondence courses. Night school, which is to be given more attention in the future, currently plays a merely subsidiary role at GDR technical institutions: only 152 of the nearly 130,000 registered students attend class after the end of the work day. [Text] [West Berlin IWE TAGESDIENST in German No 182, 22 Nov 86 p 2] /13046

CSO: 2300/134

END



**END OF**

**FICHE**

**DATE FILMED**

FEB. 24, 1987